Austria ... Sch. 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din.0 650	Italy .... L 1100	S. Arabia . Rls 6 00
Belgium ... BFr 35	Japan Y560	Singapore . S$ 4.10
Canada ... C$2.50	Jordan ... Fils 500	Spain ...... Pta 85
Cyprus .. Mils 600	Kuwait ... Fils 500	Sri Lanka .. Rup 30
Denmark .. Dkr.7.00	Lebanon .. £L 6.00	Sweden .. Skr 6 50
Egypt £E1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rin 4.25	Taiwan ... NT $85
France .. FFr. 5.50	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6 00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6 50
Hong Kong . HK$ 12	Norway .. Nkr. 6 00	U.S.A. $1 50
India .... Rup. 15	Philippines . Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,103 — Thursday August 25 1983 — D 8523 B

Wall St investment bankers' plans in London, Page 17

NEWS SUMMARY

GENERAL

Angolan block to Namibian solution

United Nations and South African officials said they had reached substantial agreement on procedures to bring Namibia to independence, but presence of Cuban troops in neighbouring Angola remained a problem.

UN Secretary General Javier Pèrez de Cuellar said South Africa's precondition of Cuban troop withdrawal was an issue outside his mandate from the security council.

November 2 has been chosen as the date for white South Africans to vote on a new constitution which would set up a Gaullist-style presidency. Page 3

Chad movements

The Chad Government said two columns of rebels backed by Libyan armour in northern Chad were advancing towards two government outposts. French special envoy Maurice Fauré is in Addis Ababa in a fresh attempt by President Mitterrand to find a solution to the conflict. Page 3

Greenpeace victory

The environmental group Greenpeace claimed victory yesterday after Belgium abandoned plans to dump radioactive waste in the Atlantic.

Namibia "obstacle"

United Nations and South African officials said they had reached substantial agreement on procedures to bring Namibia to independence, but the presence of Cuban troops in neighbouring Angola remained a problem. Page 3; Editorial comment 14.

Solidarity setback

Key Solidarity leader Wladyslaw Hardek surrendered to police and read a statement on television saying further struggle was pointless and urging other fugitives to give up. Page 2

Greek health plan

The Greek Parliament began debating the Government's plan to provide all citizens with free health care.

Sri Lanka strike

Sri Lanka's minority Tamils staged a strike in their northern stronghold of Jaffna to protest against the killing of 52 Tamils in a Colombo jail nearly a month ago, when ethnic riots swept the island.

Pakistani law strike

Lawyers in several Pakistani cities staged a two-hour strike to protest at 100 flogging sentences passed by *military courts on anti-government* demonstrators. President Zia said local elections in riot-torn Sind province will go ahead. Page 3

Nasty medicine

At least four people were injured and a number of buildings destroyed in a riot following a quarrel between a Moslem medicine vendor and Buddhist customers in Yandoon, Burma.

Briefly . . .

Vienna Woods face death from acid rain according to Austria's environmentalists.

A hand grenade left over from the Second World War killed a man working on a church roof in Czechoslovakia.

Rome airport authorities have been holding a two-month old Venezuelan girl for six days, because of queries over her adoption papers.

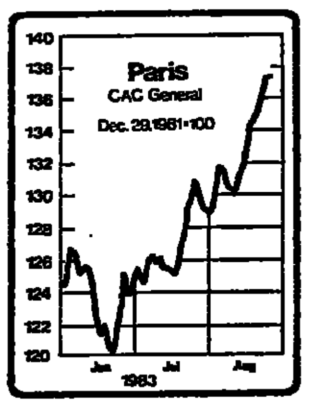
Gastro-enteritis outbreak in Nepal has killed 95 people in the past two weeks.

BUSINESS

Yugoslav rescue package delayed

● YUGOSLAVIA is to extend its temporary loan repayments freeze for a further month while a $2bn rescheduling and new loan package from its commercial bank creditors is completed. This is despite assurances on Tuesday by Mr Miodrag Veljkovic, Deputy Governor of the Central Bank, that the rescue package would be ready to be signed in New York on Saturday. Bankers say that the package will not be ready for signing until the week of September 5 at the very earliest.

● FRENCH stocks closed broadly higher again, continuing the trend of recent days with the indices again recording record highs. The France CAC Gen closed at 137.4 (137.3) and the France Indicat at 146.3 (145). Page 25; Leading prices, Page 28



● WALL STREET: The Dow Jones index closed down 8.64 at 1184.25. Page 25. Full share listings, Page 26–28.

● TOYKO: The Nikkei Dow index lost 21.84 points to 9,147.34. The Stock Exchange index was 1.54 down at 678.85. Page 25; leading prices, other exchanges, Page 28.

● LONDON: The FT Industrial Ordinary Index finished 7.4 down at 716.6. Report, Page 29, FT share information service, Page 30–31.

● DOLLAR improved to DM 2.64 (DM 2.6325), to FFr 7.95 (FFr 7.9275) and to SwFr 2.15 (SwFr 2.141), but eased to Y243.15 (Y243.3). Its trade-weighted index was 127.5 (127.2). In New York, it closed at DM 2.6440; FFr 7.9550; SwFr 2.1520 and Y243.42. Page 35

● STERLING fell one cent on the day to close in London at $1.519. It also fell to DM 4.01 (DM 4.025), to FFr 12.0775 (FFr 12.115), to SwFr 3.2675 (SwFr 3.275) and to Y370.25 (Y372). Its trade-weighted index was 85.6 (85.7). In New York sterling closed at $1.5155. Page 35

● GOLD: fell $1.75 in London to finish at $423.875. In Zurich gold finished at $424.5 ($427.5). In New York the Comex August settlement was $422 ($425.2). Page 34

● EAST GERMANY imported 33 per cent more goods from West Germany in the first half of this year than in the same period last year. Page 2

● NOVO, the Danish pharmaceuticals and enzymes maker, reported a 52 per cent increase in pre-tax earnings for the first half of the year to DKr 467m. Page 16 and Lex

● NORSKE Skogindustrier, the Danish newsprint, packaging and timber producer, reported a profit before end year allocations of NKr 42m ($4.3m) for the first six months of this year, compared with a NKr 5m loss.

● TOYOTA MOTOR Corporation announced unconsolidated net income for the year to June 30 of Y201.4bn ($823.6m). Page 17

● BANCO AMBROSIANO collapse investigators have seized 50.2 per cent of the shares of the troubled Rizzoli Editore SpA Group, which publishes Italy's Corriere della Sera. Page 2

NON-OIL EXPORTS FALL SHARPLY

Britain's current account swings back into deficit

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

Britain's export performance is failing to respond to the improving climate of world trade and the better competitiveness of UK manufacturers, according to the latest official figures released yesterday.

They show that the current account of the balance of payments swung back into a substantial deficit of £100m ($153m) in July, compared with a surplus of £412m in June.

That swing reflected a £145m fall in the surplus on oil trade and a £367m deterioration in the deficit on trade in goods other than oil.

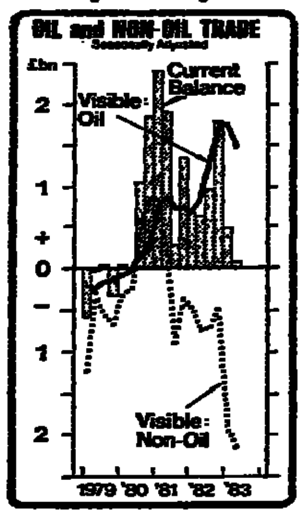
The swing between the two months highlights a longer-term deterioration of exports which is beginning to have worrying implications for the Government.

Yesterday's figures showed that average monthly exports of goods, excluding oil and erratic items, in the first seven months of this year were running about 3 per cent below the average volume for 1982.

The export figure for July was particularly poor, showing a volume nearly 6 per cent below the monthly average for last year.

Imports of goods other than oil have, on the other hand, been expanding fast, with the average monthly volume from January to July about 5 per cent above the average for last year.

In the latest three months, non-oil exports fell by 3½ per cent compared with the level in the three months to April, while imports rose by 1 per cent over the same periods.



Poor export performance and an increased appetite for imports has led to a steady deterioration of Britain's non-oil balance of trade, almost as a mirror image of the surplus earned on oil.

In the first half of this year, the balance of trade in manufactured goods has swung into a deficit of £2,89bn on an overseas trade basis.

This would be somewhat smaller on a balance of payments basis, which includes shipping and other costs. It is now clear, however, that Britain's historic surplus earned on manufacturing trade was decisively reversed at the turn of this year.

The total surplus of the current account of Britain's balance of payments for the first seven months of the year is estimated to be £478m. This compares with the Treasury's

Continued on Page 16

Economic viewpoint, Page 15; Money markets, Page 35; UK oil revenue, Page 9

Swiss order German tank

By Our Foreign Staff

THE SWISS Government has chosen the West German Leopard 2 battle tank over its U.S. counterpart, the M-1 Abrams, as a replacement for obsolescent British Centurion and Swiss-made tanks in its armed forces.

A Cabinet meeting yesterday decided to place an initial order of 210 of the West German tanks to be supplied next year at an estimated cost of SwFr 2.5bn ($1.17bn). Defence plans call for the Army to be provided eventually with a total of 420 tanks at an overall cost of SwFr 4.5bn.

The decision appears to conclude four years of intensive lobbying, bargaining and testing by representatives of Krauss-Maffei, manufacturers of the Leopard 2, and General Dynamics, which builds the Abrams tank.

Last month Herr Manfred Wörner, Bonn's Defence Minister, flew to the Swiss capital to meet Mr Georges-André Chevallaz, his Swiss conterpart, to underline Germany's determination to win the deal.

The Defence Ministry said it was authorised by the cabinet to submit the project to the national parliament next year. Approval by both houses is considered a certainty.

Thirty-five tanks will be bought in 1984 direct from the Munich-based manufacturers, and a further 175 will be built in Switzerland under licence, the Swiss Defence Ministry said.

Ministry officials said that a reason for General Dynamics' failure to win the deal was that it could not supply its tank with the 120mm cannon sought by the Swiss military before 1986.

The Swiss army now operates some 815 tanks, mainly British and Swiss models produced during the 1970s.

The second order for the remaining 210 Leopards will not be placed before 1987, the Government said.

The new model will weigh 55 tons and have a top speed of 72 km per hour. It will be equipped with a self-checking laser range-finder giving it a destructive fire-power range of 3,000 metres, which defence officials said was ideal for the defence of mountain strongholds and protection of Swiss lowland frontiers.

A third candidate for the deal, the British Challenger tank, dropped out early in the race and was not seriously considered.

Libyans look abroad for project finance

BY MARGARET HUGHES IN LONDON

LIBYA is being forced for the first time to seek 100 per cent foreign currency financing for a major project because of the cut in oil revenues and the cost of the Chad military operation.

Four international companies shortlisted as main contractors for the $200m plus Ras Lanuf nitrogenous fertiliser project near the Gulf of Sirte have been asked to submit a full financial package by the end of this month. In the past Libya has always financed similar projects from its own resources.

The four companies are Foster Wheeler Italiana, Marubeni of Japan, Snamprogetti of Italy and Uhde of West Germany. Davy McKee of London is acting as project manager.

Commercial banks, including the Arab Banking Corporation in which the Libyan Government has a one-third stake, have been approached by the main contractors but have made it clear they would be unable to put together a syndicated loan for the nine-year term requested by Libya unless there was a substantial amount of government guaranteed export credits in any financial package.

So far the banks admit they are not getting a positive response from export credit agencies, but the contractors involved remain optimistic.

Britain's Export Credits Guarantee Department (ECGD) – which is unlikely to be involved given the home base of the main contractors – is prepared to provide insurance cover only for exports to Libya and these have to be financed by irrevocable letters of credit. As a result of the delays which it, like other export credit agencies, has been experiencing in repayments by Libya, it also imposes a premium surcharge of about 30 per cent.

This form of financing is not normally used for projects, however, but for short-term business. Export of plant and equipment of the size of the fertiliser project are generally financed through buyer credits for which ECGD provides bank guarantees.

Since it still classifies Libya as a cash market, it would not be prepared to provide bank guarantees for such exports to Libya and maintains that other export credit agencies are of the same view.

This attitude could, of course, change – as it has so often in the past when a major contract is at stake – particularly with the increasing evidence that contractors are now being asked by the Libyans to submit financing proposals for

Continued on Page 16

Chad conflict, Page 3

Brazil repayment delay irritates creditor nations

BY DAVID MARSH IN PARIS

BRAZIL'S unilateral declaration that it is suspending payments on debts of $7bn to $8bn owed to industrialised country governments has worried and irritated officials connected with the Paris Club of western creditor nations, who fear it is creating a dangerous precedent for loan rescheduling talks with other Third World debtors.

After a visit to the French Finance Ministry last Friday by Sr Antonio Delfim Netto, the Brazilian Planning Minister, officials believe Brazil would like to convene a special Paris Club meeting to reschedule its debts to governments before reaching final accord with the International Monetary Fund.

This would go totally against the normal practice of government-to-government reschedulings. The Paris Club – its secretariat is provided by the French Finance Ministry – in the past has sanctioned reschedulings only when the debtor country has either agreed an IMF stabilisation plan or, in exceptional cases, is just on the point of clinching such an agreement.

By announcing publicly in advance that it is suspending payments on government debts, however, Brazil has pre-empted the normal Paris Club negotiation process.

Officials connected with the club admit that many countries in the past have approached Western creditors when they are already in arrears on government debt payments. But the debtor countries do not normally announce the suspension in advance in an apparent bid to railroad governments into accepting rescheduling.

A preliminary Paris Club meeting to discuss Brazil's debt problems and those of other countries is due in Paris next month. Officials are adamant that Western countries will not formally agree to a Brazil rescheduling until it has clinched agreement with the IMF, which could take until October. But they are worried about the country's negotiating tactics.

The concern surfaced yesterday as it was revealed that Sr Delfim Netto remained in Paris for the first few days of this week to continue talks with M Jacques de Larosière, the IMF managing director.

"Countries which come to have their debt rescheduled mostly have stopped payments for a while," said one official who is a seasoned participant in Paris Club talks yesterday. "But the cause and effect is normally the other way around. They come humbly to the Paris Club having made their best efforts but not being able to pay their debts. They don't normally purposely suspend payments. It's unusual to do it that way."

Officials fear that Brazil, with its $90bn of total foreign debt, is trying to exert pressure on creditors to secure favourable rescheduling terms in a way that other countries have previously not been able to do.

Our Euromarkets Correspondent writes: Western governments are not the first of Brazil's creditors to be upset by what they see as an over-aggressive approach for help in dealing with its debt problem.

Brazil is known to have upset some key central bankers with its demands for money from the Bank for International Settlements and failure to inform the BIS speedily of its inability to repay the loan.

A number of banks were also irritated earlier this year by insistent pressure from Brazil for them to top up their money market lines to Brazilian banks abroad.

Record French bond issue set for launch

BY OUR PARIS STAFF

THE French Finance Ministry was last night on the point of issuing a FFr 15bn domestic bond – equal to the largest ever launched in France – to help to finance this year's budget deficit.

The issue, only the second government bond to come on to the French capital market this year, seems likely to be split into two portions with different conditions, according to the Ministry's recent desire for launching innovative financing instruments.

Although the conditions have yet to be officially confirmed, the first portion was likely to carry a 13.7 per cent interest rate with a 10-year maturity. The second would have a 13.2 per cent interest rate and 12-year maturity and would be eligible for exchange by subscribers into a floating-rate issue after two years, ministry sources said last night.

The bond follows the previous FFr 10bn issue launched by the Government in January with an interest rate of 14.60 per cent. The Finance Ministry had been hoping for a sufficient fall in money market interest rates to allow a still bigger cut in the latest bond coupon.

The Ministry has already been waiting for several weeks to achieve optimum market conditions. Although interest rates have fallen less than was hoped, the Government has little choice but to launch the bond now to help to finance gaps in government revenues caused by a recession-induced fall in tax receipts.

Last year the Finance Ministry raised FFr 40bn in bond issues.

Eurobonds, Page 36

Paris acts against cheap petrol

BY DAVID MARSH IN PARIS AND PAUL CHEESERIGHT IN BRUSSELS

M EDOUARD LECLERC, the ex-Jesuit French supermarket entrepreneur who is fighting a running battle with the Government over petrol price cuts, faces the oil market equivalent of excommunication following official moves to cut off supplies from his pumps.

The French Ministry of Energy said yesterday the Leclerc organisation was being notified of an imminent revocation of its licence to import petrol.

The Leclerc chain, France's biggest supermarket organisation which has planted innumerable thorns in administrative sides during more than 30 years of price-cutting campaigns, would also be cut off from other sources of petrol as a result of government action taken against its French domestic suppliers, an official said.

The move comes as a result of increasing government exasperation at illegal discounts of more than the officially-allowed maximum of 10 centimes being offered at petrol pumps at Leclerc stores around the country.

Other big retailers which also sell petrol – notably hypermarket leader Carrefour – have joined in the price war. Several petrol stations run by the Edouard Leclerc organisation and a separate company owned by his brother, Michel, have been besieged or damaged by angry rival petrol operators complaining of lost business.

M Edouard Leclerc, whose son (also called Michel) runs the petrol-buying side of the co-operative supermarket business, reacted yesterday in strident fashion to the Government's moves.

He said under French law it was up to M Jacques Delors, the Finance Minister, to pursue the Leclercs before a French court or before the European Court of Justice. M Leclerc, who claims that government price controls on petrol are illegal under EEC rules, added: "Up to now, the Government has not dared to attack us on this front."

M Michel Leclerc, the brother of Edouard, said he did not feel affect-

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W. Germans play waiting game over shipyards

BY JOHN DAVIES IN FRANKFURT

A TENSE GAME of political poker, with money and jobs at stake, is under way in the West German shipbuilding industry.

Some players, notably Herr Hans Koschnick, Mayor of Bremen, are trying to induce others to increase the stake by putting more money on the table.

Government ministers, however, are waiting for others to show their hand, while Baron Hans Heinrich Thyssen-Bornemisza, a large shareholder in Bremer Vulkan shipyard, is reluctant to stay in the game at all.

Shipbuilding has increasingly become a gamble in West Germany because of the worldwide slump in orders and intense competition from countries such as Japan, South Korea, Spain and Brazil.

About 54,000 workers have jobs at West German shipyards, 30,000 fewer than 10 years ago. The tonnage of ships on order at those yards at the end of last year was less than half that in 1975 and the decline has continued this year. Last month, 117 ships worth DM 3.5bn (£875m) were on order, compared with 163 ships worth DM 5.4bn (£2.35bn) a year ago.

With no recovery in sight, pressure has been building for more financial support to pay for restructuring and mergers of surviving shipyards and to save as many jobs as possible.

The four coastal states of Hamburg, Bremen, Schleswig-Holstein and Lower Saxony, agreed earlier this year that more federal and state government aid was needed.

The centre-right coalition in Bonn has been fending off such pleas, demanding practical plans showing how the states and shipyard owners propose to finance and run viable operations.

A sense of drama has heightened lately as the management of four Bremen yards proposed a merger—almost immediately cast into doubt—just when the campaign for the September 25 state election is hotting up.

The plan was to merge Bremer Vulkan, AG Weser—largely owned by the Krupp steel group—Seebeck, and the shiprepair operations of the ailing Hapag-Lloyd shiping line.

Although details are unclear, a merged group would need extra cash, partly to cover recent loss-making operations. The Bremen government, with a 25 per cent stake in Bremer Vulkan, said it would provide an extra DM 50m in aid, in order to save some 8,000 of the 10,000 jobs at the four yards.

Tentative suggestions were floated that Bonn should give even more aid, but Chancellor Helmut Kohl indicated that the Government could, at the most, match Bremen's contribution.

However, the poker play took an unexpected turn when Baron Thyssen-Bornemisza's Dutch-based company said it would not put up more money. Its announcement came hard on the heels of Bremer Vulkan's 1982 report showing a DM 33m (£8.25m) loss.

In a symbolic gesture, Thyssen-Bornemisza Europe NV offered its 25 per cent stake to the Bremen government at a "peppercorn" price of DM 1 per share. Reacting caustically, with an eye to the local elections, Herr Koschnick dismissed the offer and said that unless other shipyard shareholders took over the stake, the merger would founder.

Count Otto Lambsdorff, the Bonn Economics Minister, jumped into the fray, accusing Herr Koschnick of handling the affair in a "slovenly and careless" manner.

The metal union, IG Metall, on the other hand, called on Bonn to finance modernisation of shipyards and diversification into related work. The union is also hoping that under "moral suasion" Thyssen-Bornemisza will change its mind.

Hard-pressed Dutch yards face even tougher times

BY WALTER ELLIS IN AMSTERDAM

THE hard-pressed Dutch shipbuilding industry looks like facing even tougher times, according to statistics from Cebosine, the Netherlands association of shipbuilders.

The total tonnage ordered in the second quarter of this year fell by nearly 16 per cent compared with the same period in 1982, from 503,000 tonnes to 422,000 tonnes. The decline was even more marked in value terms: from Fl 2.36bn (£524m) to Fl 1.89bn (£420m) — a drop of 20 per cent.

Orders had picked up somewhat in the first quarter after an 11 per cent fall in 1982, and the latest setback is a blow to those companies which have slimmed down to meet the overseas challenge and which had hoped for some confirmation of an upward trend.

"The reduction in orders represents a threat to Dutch yards," Cebosine says, "which even in their reduced state already have trouble with foreign competition."

Just last month the Netherlands Economics Institute in Rotterdam, in co-operation with the Foundation for the Co-ordination of Maritime Research, argued that the competitive position of Dutch shipbuilders, measured by productivity and labour costs, had actually improved. Only Japan and Sweden had achieved higher productivity growth, it said. The relative wage-cost positions of Japan, Taiwan and South Korea had even worsened.

The Institute was comparing 1981 figures with those for 1977, and further improvements have taken place since in the Netherlands.

World ship orders, Page 4

E. Berlin buys 33% more from West Germany

BY LESLIE COLITT IN BERLIN

EAST GERMANY used its barter-type trade with West Germany to maximum advantage in the first half of this year, increasing imports by 33 per cent compared with the same period last year. It continued to hold down its imports from other Western countries while pushing exports in order to achieve a trade surplus. Nevertheless, without releasing statistics, East Germany said its export surplus with these countries in the first six months was less than planned.

West German exports to East Germany soared to DM 4.3bn (£1.075bn) to the end of June while imports rose only 2 per cent to DM 3.57bn (£892m).

The East German trade and services deficit to West Germany of DM 724m (£181m) in the first half of this year meant that its cumulative deficit with Bonn rose to more than DM 4.5bn. This is 15 per cent higher than the previous peak of DM 3.9bn in 1979.

However, East Germany finds it easier to reduce these deficits which can be paid off by sales to West Germany of such goods as refined oil products, cement and textiles, which are virtually impossible to sell in other Western markets.

The country's net indebtedness to OECD countries, other than West Germany, fell from $6.65bn (£4.37bn) at the end of 1982 to $6.33bn (£4.16bn) in the first quarter of 1983, according to the Bank for International Settlements.

West German officials say the sharp rise in the country's exports to East Germany was "bloated" by agricultural products and urgently needed iron and steel goods. Sales of iron and steel rose 257 per cent to DM 750m in the year to the end of June, and of agricultural products, mainly fodder, by 69 per cent to DM 563m. But exports of machinery and electrical engineering goods rose only 3 per cent to DM 485m.

Only three parties to contest poll in Turkey

By Our Ankara Correspondent

ONLY THREE of the 15 political parties set up in Turkey since May will be able to contest the general election due in November.

The deadline for parties to register with 30 founder-members acceptable to the ruling National Security Council expired yesterday evening. It spelt the end of hopes of four of the seven parties which had met the military's other condition. This was to be able to set up branches in half Turkey's 67 provinces.

Two parties which had hoped for a last-minute reprieve after submitting final lists on Monday, received no answer. The Social Democracy Party, Sodephaven for many supporters of the main pre-coup opposition party, the Republican People's Party, was only two short of the 30 acceptable founders. However, the military signalled last week their unwillingness to let it participate in the election when they vetoed would-be founders including an 80-year-old ex-army officer who had served as aide de camp to Ataturk and Inonu in the 1930s.

The "Correct Way Party," which was only five short has also apparently been ruled out. The military seems to have objected to its affinities with the pre-coup Justice Party and Mr Suleyman Demirel its leader.

The election will be a contest mainly between parties set up by people with military backing. The front-runner seems to be the Nationalist Democracy Party of Mr Turgut Sunalp, a 68-year-old retired general and close personal friend of President Kenan Evren.

The role of "loyal opposition" has devolved on the Populist Party led by Mr Necdet Calp who was Permanent Under-secretary to the Prime Minister until March.

His party languished in relative obscurity until it became clear that no centre-left grouping was going to be allowed to run.

However, the military have a serious headache over what to do about the third remaining eligible party, the Motherland Party. This is led by Mr Turgut Ozal, formerly their Deputy Prime Minister and architect of Turkey's economic recovery after 1980. He enjoys a high degree of grassroots support because of his relatively independent political position.

Though the Motherland Party has persistently denied it, it seems likely that it has been under pressure to merge with the National Democracy Party.

It is generally recognised in Ankara that by restricting the election to "state parties" only, the poll will have lost much of its international credibility. Turkey is now certain to face difficulties in its dealings with the Council of Europe and the EEC.

Shell chemicals case opens in Netherlands

By Our Amsterdam Correspondent

The Dutch Government's case against Shell Chemie, the chemicals division of Royal Dutch/Shell, alleging the improper dumping of dangerous waste in the 1950s and 1960s, opened yesterday in Rotterdam District Court.

Shell says it broke no laws and that the dumping was carried out by sub-contractors.

The Justice Ministry is seeking compensation, up to a reported Fl 50m (£11m), for the cost of making safe a former dump in South Holland province, on which 96 homes have been built. Shell did once dump on the site but claims to have operated with the approval of the relevant authorities.

Reuter adds from Brussels: Belgium and Switzerland have suspended indefinitely the disposal of 3,700 tonnes of radioactive waste in the Atlantic because of a boycott by British seamen has made it impossible for the company under contract to find a crew.

David Marsh examines the risks the French President is running in central Africa

Mitterrand tries to face both ways in Chad

PRESIDENT Francois Mitterrand has been contriving to face all ways at once in pieceing together France's diplomatic and military response to Libyan aggression in Chad.

M Mitterrand is an old hand at political juggling acts. In the almost impossible task of maintaining a firm and credible policy towards France's former African colony in the eyes of a welter of disparate audiences at home and abroad, he has so far kept his performance in balance with almost mathematical precision.

With France having completed its two-week build-up of troops, aircraft and equipment and with the Chad Government restless to get on with the fighting against Libyan-backed rebels in the north, the conflict is entering a decisive phase after a fortnight's lull. And M Mitterrand faces the risk that his balancing act could start to totter.

The strategy so far has been based on minimum use of military force, partly to assuage fears at home (felt not just by the Left) that the Socialists are resurrecting France's *gendarme* role in Africa, and partly to back up efforts to find a diplomatic solution.

The army and air-force build-up—around 2,000 men and eight combat aircraft in a country more than twice the size of France—has been designed as just enough to deter rebel advances into the government-held south, but not enough to bolster President Hissene Habre's ambitions to counter-attack against the north.

The next few days could show whether the even-handed approach is successful in bringing peace to this key part of Central Africa, or whether it amounts to Munich-like appeasement of Colonel Muammer Gadaffi, the Libyan leader.

If he takes heart from apparent French vacillation and presses on with the Libyan-supported rebel advance, or if France fails to restrain M Habre from trying to reconquer the north, French troops would be drawn inevitably into the fighting.

Since this is a war which most people in France manifestly do not want—53 per cent of those asked in a recent opinion poll opposed the sending of troops—direct military entanglement in which French soldiers are killed could have incalculable domestic consequences for the Mitterrand Government.

For the moment, M Mitterrand's mixture of prudence and firmness over Chad has lost him no significant political capital at home. Although the Communists (junior partners in the coalition) are predictably wary about involvement in the African "wasp's nest," the Socialists have rallied round, publicly at least.

The bombing by the Libyan air force of civilian targets in the north, has convinced even left-wing doubters that some show of force is needed, though many hope it will remain just that.

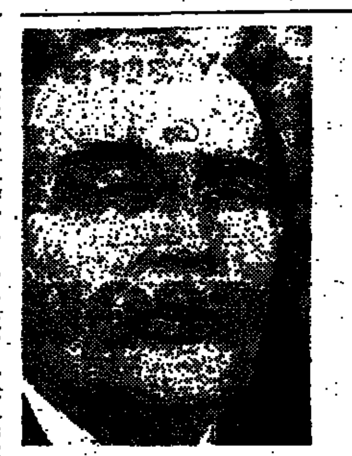
M Jean Poperen, second in the Socialist Party hierarchy, who has not been afraid to criticise the Government's economic policies, at the weekend justified the French military response by the need to allow Chad "self-determination" in the teeth of Libyan intervention.

As for the opposition, some politicians have criticised Socialist hesitation, but most on the Right have had no alternative but to support M Mitterrand's honouring of Gaullist agreements to come to the aid of African francophone states.

If it comes to a fight, however, public opinion is likely to be unnerved by the widespread sentiment that M Habre is no great friend of France. Newspapers on both the Right and the Left have been recalling that, in his previous guise as rebel leader during fighting in the mid-1970s, he held a French woman archaeologist hostage for nearly three years to extort ransom from Paris.

The affair raised great public emotion in France—and M Mitterrand apparently has not forgotten it either.

Events in Chad could be affected more immediately by the U.S. decision, announced on Tuesday night, to withdraw Awacs surveillance aircraft which were sent to the region two weeks ago to give both France and the U.S. information about troop and air force movements in the north.



For the moment, President Francois Mitterrand (left) has lost no significant political capital at home from his mitxure of prudence and firmness. Although the Communists, who are junior partners in the coalition, are predictably wary about involvement in the African "wasp's nesa," the Socialists have rallied round, at least in public.

The past fortnight of political and military shadow-boxing has been marked by considerable public friction between Paris and Washington—some of it undoubtedly inflated by both sides for domestic reasons—over the Western response to Libyan involvement in Chad.

In a conflict in which statements and actions by all governments involved have been mixed invariably with a generous dose of bluff, propaganda and veiled double meanings, the U.S. move has been given at least two contradictory interpretations in Paris.

One is that it signifies that Washington agrees with the Mitterrand view that the Chad conflict is entering a calmer phase in which diplomacy is being brought to the fore and the military surveillance aircraft (which anyway have not been operational) are no longer needed.

There is little sign of a breakthrough in the negotiations front. But this more optimistic interpretation is borne out by diplomatic reports in Paris that M Habre has been deliberately over-stating his forecasts of an imminent Libyan move southwards in order to win more French military support.

The more malevolent explanation is that the Reagan Government, criticised by M Mitterrand for sending the Awacs in the first place, has withdrawn them to express its irritation with Paris. As a subtle side-effect, the withdrawal would also step up M Habre's pressure on the French to boost further the strength of their own air force in the region.

M Mitterrand's public thoughts on Chad are due to be issued today—for the first time in direct form since the French troop airlift started — through a carefully-edited question-and-answer interview being published in Le Monde newspaper.

This oblique way of addressing public opinion has met with some criticism in France. It jars especially with M Mitterrand's campaign during the past few months—through a series of live TV and radio interviews and informal "walkabouts" in housing estates and factories—to adopt a more down-to-earth public image.

The fircely anti-government newspaper, Le Figaro, called the interview plan a "strange procedure" and called for a full-scale "message to the nation" to explain France's largest military operation outside Europe since the Algerian war.

Even the Socialist-leaning Le Matin, has commented that French people would have preferred seeing their own President on the television rather than Col Gadaffi, who gave a blustering interview on French television last week denying the presence of Libyans in Chad.

Subtle French diplomats say this denial by Col Gadaffi, with whom France has kept up discreet contacts since the outset of the fighting, could be helpful. Since he denies there are Libyan troops in Chad, they reason, French efforts to bring about a Libyan withdrawal could be brought off without causing him to lose face.

But it is not only Libya which is afraid of losing face. By keeping its military operation deliberately out of key with the martial march against Col Gadaffi favoured by the U.S. and by firmly denying any question of "co-ordinating" with Washington, Paris has shown an almost paranoic fear of appearing to be a U.S. proxy in the region.

M Michel Jobert, Foreign Minister under President Georges Pompidou (and Foreign Trade Minister in the present Government until he resigned in March), has said that France would have reacted much more quickly in sending troops if the U.S. had not applied "clumsy" pressure.

More to the point, this view is backed up by some diplomats involved, who say that, beneath the rhetoric employed by politicians on both sides, working-level consultations between Paris and Washington have been quite good.

As one diplomat commented: "The main U.S. aim is not to destabilise or topple Gadaffi. The Americans want to stop Gadaffi from advancing into Africa and becoming a menace to other countries which fear him. And that's the aim that the French are now following as well."

Irish farmers in row over abortion

BY OUR DUBLIN CORRESPONDENT

IN the latest development in the Irish Republic's bitter abortion referendum debate, the president and ten executive members have been suspended from the board of the country's largest farming organisation, the Irish Farmers Association (IFA).

After a council meeting lasting a full day, the eleven were censured for supporting statements which opposed the proposed amendment to the Republic's constitution that would prevent the passing of a law permitting abortion.

In an odd twist to the controversy, it emerged that the IFA president, Mr Donal Cashman, had proposed his own suspension in a bid to stave off more severe penalties. The 100,000-member organisation has been sharply divided on the amendment question ever since some leading members had supported the lobby against the measure and sponsored a group calling itself "Farmers Against The Amendment."

Mr Cashman, who has served as IFA president for four years, belatedly attempted to distance himself from the group, but failed to avoid the wrath of the 60-member executive at yesterday's special meeting.

The Irish Republic is due to vote on the amendment on September 7 and already the debate has produced bitterness and division throughout Irish society. The medical profession is deeply split on the issue, as are lawyers

The two main churches this week produced statements within hours of each other which took diametrically opposed stances on the question of abortion. The Church of Ireland took the view that there were cases when termination of a pregnancy was required, with the majority Roman Catholic bishops maintaining their traditional stance to the effect that abortion was never permissible.

The campaign itself is being fought in the main by two organised pressure groups. The pro-life lobby has access to substantial resources, and many Catholic religious organisations have lent support and facilities to the pro-amendment campaign.

The anti-amendment lobby is a less effective grouping that has none the less achieved considerable prominence, principally through skilful use of the media. However, there is little chance of their ultimate success, and observers consider that a vote favouring the amendment by a margin of 30 to 40 per cent is almost inevitable.

Seizure order for Rizzoli empire

MILAN – A Milan judge yesterday ordered the seizure of a controlling interest in the Rizzoli publishing empire, which is heavily indebted to the collapsed Banco Ambrosiano, court officials said.

Judge Renato Bricchetti, investigating the bankruptcy of Banco Ambrosiano, ordered the seizure of 50.2 per cent of the Rizzoli stock – 40 per cent held by Sig Angelo Rizzoli, the former chairman and heir to the family business, and 10.2 per cent by Sig Bruno Tassan Din, former managing director, court officials reported.

Rizzoli is Italy's largest and most prestigious publishing house, with dozens of newspapers, magazines, bookstores and television stations in Italy, the U.S. and Argentina. It also publishes Milan's Corriere Della Sera, Italy's leading daily.

The company was taken over by court-appointed administrators last year after it filed for protection from its creditors. It is said to owe L120bn ($16.6bn) to Banco Ambrosiano, which owned 10 per cent of Rizzoli through a holding company.

Both Rizzoli and Sig Tassan Din were arrested after the takeover for fradulent bankruptcy and for illegal transfer of funds abroad.

Judge Bricchetti also ordered the seizure of an unspecified amount of Sig Angelo Rizzoli's private properties, in order to secure funds for possible compensation sought by shareholders of the collapsed bank.

According to the court sources, the judicial attachment was possibly decided in view of a takeover of the Rizzoli Group currently being negotiated by a consortium of Italian industrialists and financiers.

Milan's Banco Ambrosiano, once Italy's largest private bank, collapsed last year after investigators discovered $1.2bn in mysterious loans engineered by the bank president, Sig Roberto Calvi.

Sig Calvi, an alleged member of a secret and outlawed Masonic lodge known as Propaganda Due, or P-2, was found hanging from a bridge in London in June last year. A London inquest jury was unable to decide whether he had committed suicide or been murdered.

The names of Sig Rizzoli and Sig Tassan Din were also found on an alleged list of members of the secretive lodge.

Sig Licio Gelli, the Grandmaster of P-2 who staged an escape from a Swiss prison earlier this month, has been charged in connection with Banco Ambrosiano collapse. AP

Rome seeks swift pay deal in metal industry

BY RUPERT CORNWELL IN ROME

THE Italian Government is aiming at a speedy solution of the protracted, and often acrimonious, dispute over a three-year wage contract for 1.5m metal and engineering workers.

Yesterday, 24 hours after a fresh round of talks with union representatives, Sig Gianni de Michelis, the Labour Minister, met leaders of the private engineering employers' federation, which has been a significant obstacle to an agreement.

A rapid and satisfactory resolution is desirable for the government on two counts. In the first place, the contract will have a significant bearing on its efforts to hold down labour costs. The fortnight-old Socialist-led administration is aiming for no real increase in hourly wages over the next three years.

Secondly, a continuation of the wrangle could raise the spectre of a "hot autumn" on the labour front. The engineering workers' contract, always the most important, covers such front-line and important concerns as Fiat and Olivetti, as well as the private steel employers.

The main stumbling block in the way of the new contract, which is more than 18 months overdue, has been the refusal of the companies, led by Fiat, to allow any significant decrease in the working week. The unions are refusing to budge from their demand for a reduction.

Now however, there is talk of a compromise, under which the employers would concede a greater annual cut in the number of basic hours worked per year, in return for the right to demand greater automatic overtime increases, should the need arise suddenly to step up production.

Extra room may have been provided by some encouraging news on prices. Early indications are that August saw a marked drop in the inflation rate, which could bring the annual figure down from above 15 per cent to somewhere nearer 14 per cent.

In the meantime, the unions have warned that, if the employers' federation gives no ground, they will seek separate plant agreements with more compliant individual companies. One such outline deal appears to have been reached before the summer break, with the privately-owned Falck steel concern.

Propaganda coup for Jaruzelski

By David Buchan, East Europe Correspondent

THE POLISH authorities yesterday questioned Mr Wladyslaw Hardek, a senior figure in the Solidarity underground whose surrender this week constitutes an important propaganda victory for the Jaruzelski Government.

The Krakow police are reported to have asked the military prosecutor, who initiated charges against Mr Hardek under martial law, to drop the case under the amnesty proclaimed last month.

Mr Hardek, who is said to have presented himself to police on Tuesday, read a statement on television urging others in the underground to give up a struggle he described as pointless.

Major figures in the Solidarity union's underground have been caught before, including two successive leaders in Wroclaw this year and the head of Radio Solidarity last year in Warsaw. But Mr Hardek is the first apparently to surrender himself.

It was unclear, though, how much Mr Hardek might be able to tell the Polish authorities about the clandestine network, even if he wanted to.

Ending martial law last month, General Wojciech Jaruzelski proclaimed an amnesty for those willing to turn themselves in and "confess their crimes" before October 31. A few from the underground seem to have taken advantage of this.

The authorities said that, as of August 10, some 6,000 people had "benefited" from the amnesty. Most were apparently cleared of pending charges and fines, while 795 either sentenced in prison or in investigative custody have been freed. All, however, are liable to have sentences reimposed if they are judged to misbehave themselves in the next two years.

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Kyprianou and Papandreou to discuss UN proposal on Cyprus

BY OUR ATHENS CORRESPONDENT

● Kyprianou (left) . . . no comment so far

CYPRIOT PRESIDENT Spyros Kyprianou arrived in Athens yesterday afternoon for consultation with the Greek government on UN Secretary General Sr Xavier Perez de Cuellar's latest proposals for a Cyprus settlement.

The Secretary General's initiative has received the backing of the major political parties of the left and right in Cyprus, but Mr Kyprianou's arrival in Greece came amid persistent local Press reports of the Papandreou government's lack of enthusiasm.

Mr Kyprianou interrupted a Greek holiday earlier this month after the Secretary General's "unofficial soundings" for a settlement. Mr Kyprianou briefed Andreas Papandreou, the Greek Prime Minister, on these before leaving.

Mr Kyprianou, scheduled to hold talks with President Constantine Karamanlis and Mr Papandreou on Thursday, is expected to try to hammer out a position on the de Cuellar initiative acceptable to both Athens and Nicosia.

There has been no official comment yet on the Secretary General's views from either the Kyprianou or the Papandreou Government. Turkish Cypriot leader Raouf Denktash has similarly remained publicly non-committal on the issue.

But Greek and Cypriot diplomatic sources say the feeling in Athens and Nicosia is that these views contain little that is new relative to a 1981 Cyprus peace proposal by de Cuellar's predecessor, Mr Kurt Waldheim. This envisaged a bizonal federation with a rotating presidency and a bicommunal six-member central executive council.

However, Mr Kyprianou must take into account the fact that the powerful Cypriot Communist party AKEL, as well as the right-wing National Rally Party of Mr Glafkos Clerides, which between them represent about 65 per cent of Greek Cypriot voters, have both come out in favour of Mr de Cuellar's initiative. Western diplomatic sources in Nicosia say that after a weekend visit to the Cypriot capital by Mr Alter Turkmen, Turkish foreign minister, there are "initial positive indications" of a favourable response from the Turkish Cypriot side.

Sources close to the UN peace process in Nicosia said one of Mr de Cuellar's main aims was to bring the two communities back to the negotiating table to resume inter-communal negotiations suspended after a Turkish Cypriot pull-out in response to a Greek recourse to the UN last May

France declares firm intention to seek peace in Chad

BY DAVID MARSH IN PARIS

THE FRENCH Government, which has just despatched an envoy to the Organisation of African Unity for talks on the Chad conflict, declared yesterday its firm intention to seek a peaceful end to the war in the central African country.

A communiqué issued after the weekly Cabinet meeting, which dealt mostly with the Chad conflict and other international issues, reaffirmed that France would pursue its "prudent and determined" response to the build-up of tension in central Africa. President François Mitterrand will shortly receive the heads of the National Assembly and the Senate to keep Parliament informed over Chad.

The restatement of France's intent to seek a diplomatic solution to the fighting—which seems to preclude for the moment sending of fresh military aid to embattled Chad President Hissène Habré—came shortly after M Claude Cheysson, the Foreign Minister, underlined that France wanted to pursue an independent line over the affair.

In a meeting with the foreign affairs commission of the National Assembly on Tuesday, M Cheysson emphasised France's desire to reach a regional solution to the Chad problem. "It is incumbent on countries of the region and on the OAU to take the initiative," according to a communiqué on M Cheysson's meeting published yesterday.

Following the meeting, France announced the sending of a special envoy, M Maurice Faure, to the Addis Ababa with a message for the OAU from President Mitterrand.

M Cheysson, expounding France's keenness not to be seen as acting on behalf of U.S. interests in the Third World, also told the commission that France was acting on the basis of its own policies and had "no need to consult foreign countries" over the Chad affair.

M Max Gallo, the Government spokesman, commenting on the Cabinet deliberations yesterday, said the conflict was primarily for Africans to resolve, probably in the context of the OAU.

Pretoria still insists on Cuban link to Namibia plan

BY J. D. F. JONES IN JOHANNESBURG

MR PIK BOTHA, the South African Foreign Minister, yesterday repeated his Government's insistence that a settlement of the long running dispute in Namibia is tied to the withdrawal of Cuban troops from Angola.

In a press conference in Cape Town following two days of talks with the UN Secretary General, Sr Javier Perez de Cuellar, Mr Botha described the Cuban presence as "the decisive, major, main obstacle."

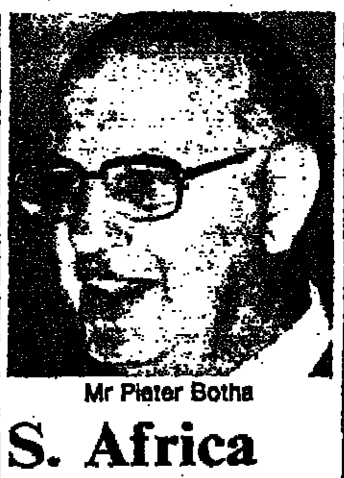
The assertion dampened any optimism which might have been raised by the confirmation that South Africa had accepted the provisions of UN resolution 435, the framework for a settlement.

At a separate Press conference, Sr Perez de Cuellar said that all the matters he had come to discuss had been concluded to his satisfaction but "the Cuba issue is a problem on its own." He added that the Cuban issue did not fall within his brief from the UN Security Council.

Both the Secretary-General and Mr Botha confirmed that other matters had all been settled, including the composition of the UN force (known as Untag) that will supervise a ceasefire and the elections for a constituent assembly and the choice of electoral system for that assembly.

The confirmation in Cape Town that all matters of detail have been agreed does not come as a surprise because Western diplomats of the five nation "Contact Group" had let it be known months ago that, given a green light from Pretoria, the seven-month programme to independence could be initiated without difficulty.

But the Secretary-General's statement that he has no mandate to discuss the Cuban issue suggests that the Contact Group will now have to resume its efforts to mediate between the South African Government (supported on the Cuban issue by the U.S.) and the Angolans (supported by the front-line states), who consider the presence of 20,000-30,000 Cubans in their country to be a matter for their own sovereign judgment.



Mr Pieter Botha

S. Africa constitution referendum date set

By J. D. F. Jones in Johannesburg

WHITE South Africans will vote in a referendum on November 2 for or against the new Constitution for the Republic which has been under intense debate for many months.

Announcing this date in Cape Town yesterday Mr P. W. Botha, the Prime Minister, said negotiations would continue on working out a method and date for consulting the "coloured" Indian minority groups – who are to be readmitted to the white-dominated political system under the proposed constitution.

It is by no means a foregone conclusion that Mr Botha's Government will have an easy passage in the referendum. The new constitution, which will set up an executive state presidency with Gaullist-style powers and which offers no change to the present political exclusion of the 20m black majority, is certain to be opposed by the two principal opposition parties, the centre-left Progressive Federal Party (PFP) and the extreme right Conservative Party (CP).

Defeat at the referendum would drive Mr Botha and his "reformist" Cabinet colleagues from politics and would halt South Africa's slow emergence from hardline apartheid.

Since the 2.5m Afrikaners have been split by the Conservative Party breakaway from the ruling National Party, Mr Botha will need the support of a significant number of those English-speaking whites who would once have been his political enemies.

Only the fading National Report Party (NRP) – the rump of General Smuts's old United Party – has indicated that it might tell its supporters to vote yes.

To heighten political tensions, the three parliamentary opposition parties are furious with the Government's decision earlier this week to "guillotine" the parliamentary debate now going on in Cape Town over the detailed clauses of the Constitution Bill. The committee stage of the Bill began a week ago and has been making snail's-pace progress through the 103 clauses.

The Government, evidently wearying of the interminable debate over every detail, had declared that the debate would end on Saturday regardless of how many clauses have been completed. Parliamentarians estimated that this would mean that about three quarters of the Bill will pass into law – because the Government has a large overall majority – without discussion, including many of the most far-reaching and dramatic changes in South Africa's system of Government which dates from 1910.

Both the PFP and CP attacked the Government for going back on its promise to allow a full debate, and in so doing giving the country a foretaste of its future contempt for either democracy or consensus government.

However, last night the Government bowed slightly to this outcry and indicated that it was prepared to let the debate continue until next Wednesday. But the opposition benches seemed likely to find this concession inadequate and unacceptable.

It was also announced yesterday that a provincial by-election at Middelburg, which promises to be delicate for the Government, has been postponed from October 26 to November 2 to coincide with the referendum.

Jurek Martin in Tokyo looks at the Government's lack of a firm economic policy

U.S. holds best hope for Japan's recovery

ANY ESSAY on the economic policy of the present Japanese Government could be very short. There has been the illusion of action, with economic "packages" rolling off the assembly line regularly — another, on import promotion, is promised next month — but their substance has not been immediately tangible.

The reasons for doing nothing, or at best little, are not shrouded in mystery. Monetary policy has been constrained by the weakness of the yen against the dollar while fiscal initiatives have fallen foul of the government's $50bn budget deficit; an $4.1bn income tax cut is just over the horizon, but when the official blueprint is released in the autumn, offsetting increases in consumption taxes are likely to reduce considerably any real stimulus.

But, understandable as it may be, the extent of Japanese monetary and fiscal inaction is remarkable by international standards. Mitsubishi Bank notes in its latest economic review that over the past year the U.S. discount rate was cut seven times from 12 to 8.5 per cent while a $180bn three year tax cut schedule was put in train; that, since March, the British base rate was reduced three times while income taxes were simultaneously being cut; that West Germany since last August, lowered its discount rate four times, while also implementing modified tax concessions. Japan, meanwhile, has left its discount rate unchanged for 19 months at 5.5 per cent and has almost completely eschewed fiscal stimulus.

Obviously the imperative for Japanese initiatives was less than elsewhere because the Japanese economy never fell as far as those of other major industrialised countries, nor, as in the U.S. and UK, were its governments impelled by doctrinaire favour. Japan certainly is relatively free of the political and social pressures generated by high unemployment that have so concerned the West. But, both inside and outside the country, the perception seems to be growing that it is not enough to do nothing and let the economy pick up of its own accord.

This was implicit in the Williamsburg summit's commitment to growth and in the OECD's recent call for the Japanese to stimulate domestic demand. The same theme was picked up last week by the government's own Economic Planning Agency in its recommendations that the Government find ways to promote housing and urban development.

At present, the Japanese economy is picking up a little steam, but it is doing so largely on the strength of exports (which, as the OECD points out, are vulnerable to protectionism). In July, the unadjusted trade surplus amounted to $2.85bn, an all-time monthly record; in the current fiscal year, the current account surplus is likely to be close to $20bn, with the merchandise surplus at least $30bn.

ECONOMIC PERFORMANCE

% change	1972-82 average	1982	1983*	1984*
Real GNP	4.3	3.0	3.2	3.7
Industrial production	3.6	0.3	1.7	3.3
Consumer prices	9.4	2.7	2.1	3.2
Current account ($bn)	1.8	6.9	18.0	19.8
% of GNP	0.2	0.7	1.5	1.5
Budget balance	− 8.0	−14.0	−14.0	−12.0
% of GNP	4.6	5.4	5.0	4.0

* Average of forecasts

Source: Phillips & Drew, World Investment Review, August 1983

But this embarrassment of riches appears more the consequence of stagnant domestic demand than runaway exports, which only began to turn up in the late spring after more than a year of monthly declines, and which, in any case, only account for 14 per cent of industrial production. The slump in imports is partly the product of a declining oil bill, which still constitutes nearly 30 per cent of all purchases from overseas, but this, in itself, partly stems from the fact that Japanese industry is not firing on all cylinders.

It is not, it must be stressed, misfiring badly, except by its own lofty standards; inventories have been run down to manageable proportions, the spring wage offensive (less than a 5 per cent rise) was an acknowledged disaster to Japanese unions, inflation is down to a negligible 2 per cent per annum and unemployment still well under 3 per cent, as locally measured.

But the weak spots are obvious: real household income may be going up by 4 per cent a year but spending is weaker. Indeed, early this summer special factors—bad weather and a change in the compulsory car inspection rules which temporarily affected car sales—combined to produce a decline in consumer spending in May and June.

Perhaps more serious is the continued decline in capital investment, most pronounced among the smaller and medium-sized companies which constitute the warp and woof of the Japanese economy. High real interest rates are unvaryingly cited as the prime cause. For the larger companies, there has been some pause for breath after the major cycle of technological investment ran its course two years ago.

However, corporate spending plans could recover if profits conform to expectations. According to the comprehensive Nihon Keizai Shimbun survey, recurring profits were down 13 per cent in the 1982 fiscal year and are expected to drop another 13 per cent in the half year ending next month; but in the second half of fiscal 1983 a 37 per cent increase is projected, producing an overall nine per cent profits growth on the full fiscal year.

Even if, as the EPA faithfully reports, the economy has indeed "bottomed out," with industrial production rising by over one per cent in July, there remains a vague feeling of dissatisfaction. The Government is committed to "administrative reform," by which it means budget cutting, but this is a long-term course of surgery that does not include injections of adrenalin. It may cut net taxes a little, but maintaining high real interest rates to protect the yen against the dollar dilutes the impact. It can open Japanese markets further, no easy political act, but the trade imbalances will not disappear overnight.

In reality, its best hope lies not in resolving the interminable debates between the Ministry of Finance, the Bank of Japan, the Economic Planning Agency and the hierarchy of the ruling Liberal Democratic Party. It lies in Washington and in U.S. monetary and fiscal policy. In that respect Japan, like Europe, may have to wait a while.

African austerity schemes fail

WASHINGTON — Austerity programmes for 23 African countries, designed to increase prosperity while curbing inflation and deficits, failed to meet their targets in more than half the nations, the International Monetary Fund reported this week.

In return for promises of belt-tightening, the Fund in 1980 and 1981 loaned 23 countries the equivalent of $4.5bn (£3bn) at today's rates.

The report blamed natural disasters and unforeseen economic developments for many of the failures—drought in Senegal, high oil prices that hurt iron mining in Liberia, a drop in demand for coffee from Madagascar. Another difficulty was getting the governments to hold down spending and increase tax collections, the IMF said.

Targets set at the time of the loans included cutting budgets, increasing consumer prices and devaluing currencies—policies which can create short-term hardships for the people of poor countries but which are expected to bring long-term benefits. Critics question whether the programmes work. Sometimes they lead to rioting and military coups.

Mr Justin Zulu of Zambia, director of the Fund's African department, and Mr Saleh Nsouli, his assistant, wrote a report summarized in Monday's issue of "IMF Survey."

The publication disclosed that, of 23 countries aided, the target for growth was reached only in five: Gabon, Mauritius, Zimbabwe, Zaire and Uganda.

Targets for inflation were reached in only 13 out of 28 programmes among the nations. Inflation was kept below 20 per cent in most of the countries, although in Tanzania and Sierra Leone, prices paid by consumers have been rising at rates of more than 30 per cent a year, IMF figures show.

The target on foreign trade was reached in 11 out of 28 programmes.

The future for Africa looks poor, especially south of the Sahara, the report predicted. AP

Aquino death probe ordered

President Ferdinand Marcos of the Philippines last night announced a special judicial commission would investigate the murder on Sunday of his arch political foe Mr Benigno Aquino as the opposition leader's widow arrived for the funeral, Reuter reports from Manila.

A statement from the Presidential palace said the government was offering a reward of 500,000 pesos (£30,500) for information leading to the arrest of the killer or killers.

Airport security men gunned down the assassin moments after he had shot Mr Aquino as he stepped from an aircraft at Malina airport.

Pakistan poll to go ahead

President Mohammed Zia-ul-Haq of Pakistan said yesterday local council elections in the troubled province of Sind would be held as scheduled despite widespread anti-Government demonstrations there, Reuter reports from Islamabad.

President Zia, speaking at the end of a one-day visit to the Sind provincial capital of Karachi, said the violence of the past 10 days was regrettable but the authorities had the situation under control.

Officials say 18 people have now died in the protests, launched by the movement for the restoration of democracy (MRD) on August 14.

Japan's economic growth looks likely to be led by exports again

3.3% real growth in fiscal 1982

The strong domestic demand of the first quarter in fiscal 1982 is no longer perceptible in the Japanese economy, and the real GNP growth in the January-March quarter of this year was a trifling 0.2% (a 0.7% annual rate). As a consequence the real growth rate in fiscal 1982, ended March 31 this year, was 3.3%, the same as in fiscal 1981. Although the growth rates in fiscal 1981 and fiscal 1982 were the same, the factor that propelled the national economy's growth changed (see Figure). Whereas in 1981 an increase in exports contributed more than 80% of the growth, in fiscal 1982 private consumption, recovered after three years of stagnation, accounted for 70% of the growth. However, it seems that the pattern of economic growth shaped by domestic demand is already changing.

The quarter-to-quarter real GNP growth was 0.2% in the first quarter of this year. Whereas the net exports constituted a plus factor, contributing 0.5% to the growth, private demand served as a minus factor to pull the growth down by 0.4%. The overseas current surplus was attributed to the stoppage of the downtrend of exports as well as to the continued shrinkage of imports caused by sluggish domestic demand.

After continuing to dwindle throughout last year, exports rebounded after January to a higher level than before. Exports in February began climbing above the previous year's level on a customs clearance basis and in May on a U.S. dollar basis also.

Growth of exports is attributable to sharp increases in exports to the United States and Southeast Asia of business machines, semiconductors and other high-technology products. Although car exports are brisk in the EC markets, on the whole they are still below the previous year's level. Exports of steel and ships, on a U.S. dollar basis, have been 20 to 30% less than a year earlier.

Thus we see a marked disparity between product categories in their export performance. Seasonally adjusted exports in April and May rose only slightly over the January-March level, slowing down the pace of increase. Letters of credit received in May also stayed at about the same level as in April, making it difficult to hope for a substantial recovery.

On the other hand, imports on a U.S. dollar basis have been decreasing by a double-digit figure from the 1982 level. The primary reason for this is the drop in the crude oil price and a lower volume of oil imports, which decreased 1.8% in the October-December quarter of last year, 11.6% in the January-March quarter of 1983 and 10.2% in the April-May period from the corresponding periods a year earlier.

As a result the seasonally adjusted trade surplus in April ballooned to $2,700 million, which by far exceeded the January-March average of $2,100 million. Should the trade surplus keep increasing at the current pace, it would exceed the government's projection of $20,000 million this year by about $10,000 million.

Consumption and capital investment cooling off

The movement of domestic demand is extremely lax and slow. On a GNP basis, private consumption expenditure in the January-March quarter increased at a 2.1% annual rate in real terms over the preceding quarter, far behind the 9% registered in the April-June quarter of last year.

According to a household income and expenditure survey, real consumption spending of all households in fiscal 1982 was 2.4% above that of the preceding fiscal year. However, growth in the March-April period slackened and recorded a scant gain of 0.8% over the same period of 1982. Large retail store sales recorded an increase of 2.4% in March and 2.5% in April over the same months of 1982.

Housing investment is low-keyed. The number of starts, which swelled in autumn of 1982 because of the rush just before the revision of the lending terms of the Housing Loan Corporation loans, diminished drastically after the peak month of January and dropped in March and April below the respective 1982 levels.

The low undertone of personal demand reflected in consumption spending and housing investment is attributable basically to the very small increase in wages (the wage hike won by workers this spring was a record low of 4.4%, and the increase in the summer bonus was also small) as well as to the increased tax burden. It is hard to expect the personal-demand component to exert any bigger force to invigorate the economy.

Investment by private enterprises is losing vigor. According to the "Short-Term Economic Survey of Principal Enterprises" conducted by the Bank of Japan in May, principal enterprises' plant and equipment investment plans for fiscal 1983 were revised downward 1.2% from the time of the previous survey in February and down 0.4% from the preceding year. Of the 20 industrial categories surveyed, only two, electric machinery and retailing, increased their plant and equipment investment for both fiscal 1982 and 1983. It is noteworthy that most of these investments were made for rationalization, labor-saving, and research and development.

Economic indicators related to production have begun to show slight movement in a situation marked by recovery of exports and sluggish domestic demand. Average mining and manufacturing production in the March-April period increased 1.9% over the January-February average, and producers' inventory of finished goods shrank 2.0%. The inventory ratio to sales also dropped 2.5%, to the level of the October-December quarter of 1981, when business appeared somewhat bright for a while during the current recession, which has lasted more than three years. The inventory ratio of consumer goods dipped conspicuously. However, the ratio for overall mining and manufacturing industry and that of capital goods are far above the levels of autumn of 1979, when the current recession had not yet started.

To be sure, inventory adjustment is progressing, suggesting that the economy will pick up. However, it is inconceivable that a full-scale inventory buildup will occur in the near future. According to the Bank of Japan's Short-Term Economic Survey, the proportion of enterprises that consider both manufacturers' and distributors' inventory still in excess is overwhelmingly high. Although there were violent month-to-month fluctuations, it may be concluded that production activities are showing positive moves, judging from the 1% rise in March and April of the manufacturing industries' operation rate over that of January and February.

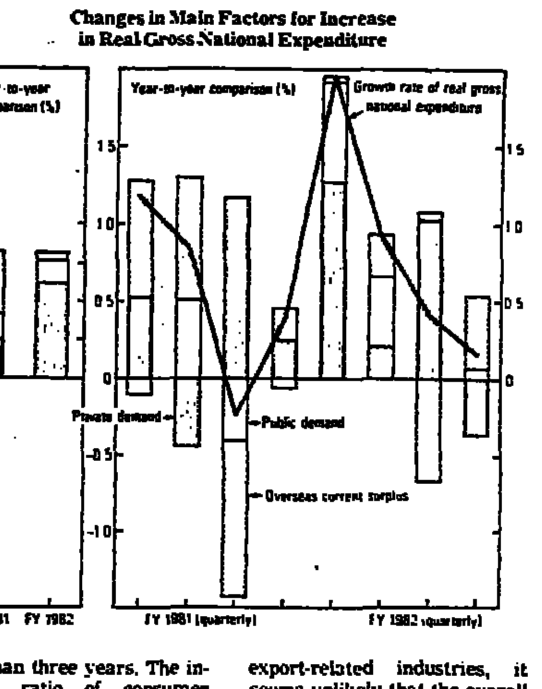
Easing corporate finance and bearish government bonds

Corporate demand for funds is still weak consequent to sluggish sales, progress in inventory adjustment, and a slump in plant and equipment investment. Although there is a possibility of increasing demand for funds among some export-related industries, it seems unlikely that the overall tone of demand for funds will change in the immediate future. Now that the easy-monetary policy has been in force for a long period, banks are assuming a positive attitude on lending to enterprises.

The market price of government bonds has slumped since late May, what with the rebound of interest rates in the United States and the depreciation of the yen's exchange value. As of mid-June the market price of 7.5%-interest-bearing government bonds was nearly ¥1 lower than the offering price of new issues, pushing up their yield about 0.2%. With the issue of a total of ¥1,000 billion ultra-long-term (15 years) government bonds, for the first time in June, the government will somehow be able to manage its finances.

Japan is being exposed to blame from other countries for lacking effective measures to stimulate domestic demand while its trade surplus is snowballing. The opportunity to lower the official discount rate has been lost because the yen's exchange value has dropped to hover at about ¥240 to the dollar and because, led by the high yield of government bonds, domestic long-term interest rates still remain high. The root cause for all this may be found in the large fiscal deficits of both the United States and Japan.

Changes in Main Factors for Increase in Real Gross National Expenditure



Packard employees reject pay cut plan

By William Hall in New York

THE 8,300-strong workforce at General Motors' Packard electric division in Warren, Ohio, has decisively rejected a management plan which would have cut the wages of new employees from $18 (£11.75) per hour to $6 per hour.

The plant produces electric wiring assemblies for General Motors. The final part of the process is labour intensive with the result that Packard has found itself increasingly uncompetitive compared to similar operations in countries such as Mexico.

As a result, the management launched an initiative in which the key proposal—the final assembly option—was that the final assembly of the wiring packages should be undertaken in a separate building using a completely new workforce which would be paid $6 per hour.

The rest of the workforce would not be asked to take a wage cut and Packard argued that the move would significantly increase their job security as well as increasing employment opportunities in Warren.

The Packard division is the only part of the giant General Motors' organisation wanting to try such a scheme. If it was successful then it may be extended to other parts of the group which are facing serious competition from other countries.

Packard said yesterday that its workers, who rejected the proposal by a vote of more than two to one, had not fully understood the ramifications of the deal and felt "threatened."

Packard said that "nowhere in U.S. industry has any workforce we know of ever been offered such an opportunity: the opportunity to grow into 100 per cent job security."

The company said the rejection of its plan, which it believed was unique in U.S. industrial relations, was no more than a temporary setback.

Union leaders, some of whom supported the proposal, are concerned that some of the 3,800 jobs in the final assembly operations could now be lost.

Tensions are increasing on the eve of Independence Day celebrations, writes **Jimmy Burns** in Montevideo

Uruguay 'tug of war' puts military's strength to the test

URUGUAY'S military regime and civilian opposition have reached a political impasse and are looking at ways of averting a full scale clash just three months after both sides committed themselves to a slow transition towards democracy by 1985.

This fragile political co-existence will face a major test today, the 158th anniversary of Uruguay's declaration of independence.

The armed forces have declared the occasion a national holiday and have offered the consumer every kind of entertainment ranging from military parades to a ballet premiere at Montevideo's impressive national theatre.

The high points of the Government sponsored programme will be a heavily subsidised international football match. The final whistle has been timed to overlap with what the Minister of the Interior has referred to as a "clandestine campaign organised by the Marxist-Leninist Amnesty International."

This is a reference to the "Day of National Reflection" which has been organised by human rights groups, political parties, unions and student organisations.

Despite a recent military clampdown, the opposition's call for nationwide prayer meetings and open political discussions has been quickly passed around by word of mouth. As one activist put it yesterday: "Montevideo is a small city but a big family — everyone gets to know each other very quickly."

The population has been asked to emphasise its distance from the military, by staying off the streets between 5 pm and 8 pm. At 8 pm protestors will switch off their house lights in an attempt to leave the city in virtual darkness for a quarter of an hour.

Today's tug of war for the hearts and minds of the population is very different to the situation which existed last May. Then the armed forces and the country's two major political parties—the Colorados and the Blancos—initiated a series of talks aimed at finding a common political programme before the elections scheduled for November 1984.

The talks never got beyond the first round. The politicians withdrew from the dialogue after the military had refused to compromise on the scope and scale of the military's participation in the future political system.

The military said it should continue to have a powerful council with veto powers on government policy. It also wanted the right to detain suspects incommunicado for up to 15 days and the continuing pre-eminence of miltary over civilian courts in cases judged as "threats to national security."

The opposition saw this as a clear setback after two and a half years of gradual reform.

PRESIDENT ALVÁREZ: led resistance to democratic reforms.

In 1980, the military put the issues to a national plebiscite only to have 54 per cent of the vote against them.

It is understood the talks collapsed because a section of the military led by General Gregorio Alvarez, the current president, resisted any changes.

Although moderate compared to some Latin American military rulers, Gen Alvarez is a man of considerable political ambition. He is believed to want to remain president within a limited democratic system. His current term of office ends on March 1 1985.

Gen Alvarez, however, does not have the military's unanimous support. Some of the younger officers in particular have one eye on Chile and are reluctant to continue along a course which they fear could lead them into a irrevocable confrontation with the civilian population.

According to some diplomats the regime's moderates are prepared to resume negotiations on constitutional reform and are already holding informal talks with some politicians under the auspices of a church-led mediation.

Today's protest action is the first to be coordinated by the leadership of all the opposition groups since the 1973 military takeover. This unity, however, remains fragile because the parties are divided over tactics.

The opposition leadership is facing increasing pressure from party members who favour stepping up the struggle against the regime as in Chile.

Uruguayans in the past few weeks have been subjected to a crackdown reminiscent of the harsher days of the regime. The Uruguayan press, once the most independent in South America, is again having to write in allegories to get by Government censors.

The latest crackdown which was announced on August 2 after the breakdown of the talks, has been accompanied by a ban on political activity. This is another regression, the politicians argue, after the military legalised internal party elections last November.

It follows a major public outcry over recent human rights violations in which a group of male students were allegedly subjected to electric torture and their girlfriends allegedly raped by security guards after being charged with belonging to the Communist Party.

To some military officers, the outcry was an unpleasant sign of the possible revenge that could follow if and when they hand over power.

Another worry for the armed forces is the growing social unrest being provoked by the Government's economic programme. A combination of free-market policies and tight money has restored the country's external position to reasonable health but at the expense of the domestic economy.

The International Monetary Fund left Montevideo last week apparently satisfied that the Government had met its target set in a $400m (£261m) two-year credit agreement signed in April.

This in turn will pave the way for the disbursement of the second tranche of a $240m loan from commercial banks. Over a quarter of Uruguay's $4.2bn foreign debt has been rescheduled.

On the home front, however, higher interest rates and Uruguay's continuing vulnerability to the economic crises of its neighbours has plunged it into deeper recession.

In the first six months of this year gross domestic product fell by 10 per cent after a 10 per cent drop in 1982. Unemployment has risen to a record of more than 20 per cent.

In Montevideo the signs are all too visible — there are many more beggars along its narrow, old streets than there used to be, and the housewives, for the first time, have begun to bang their empty pots.

Chilean and Argentine parties in peace plea

By Mary Helen Spooner in Santiago

CHILEAN and Argentine political parties have issued a joint plea to the military regimes of both countries to sign a permanent peace treaty resolving their long-standing territorial dispute in the Beagle Channel.

The statement by Chile's Democratic Alliance, a newly formed coalition of all political parties excluding the Communists, and the Argentine multipartidaria, a grouping of the countrie's five main parties, included a defence of Argentine claims to the Falklands, as well as a call for the restoration of democracy in both countries.

"We believe that with the full recuperation of democracy our people will be in better condition to consolidate peace, to advance economic integration and to jointly defend our respective rights to the Antarctic as well as secure an effective recognition of Argentina's rights to the Falklands," the statement said.

Chile and Argentina both claim three tiny islands at the opening of the Beagle Channel, located south of Tierra del Fuego.

A British arbitration in 1977 ruled in Chile's favour, a move Argentina rejected, and the two countries nearly went to war the following year. The Vatican has been attmpting to mediate the dispute since 1978.

Sovereignty of the islands will eventually affect both country's overlapping claims to Antarctic territory, in addition to strategic access to the Beagle Channel.

Chile has accepted a proposal put forward by the Vatican which is thought to grant Chile the islands and Argentina a share of the territorial waters surrounding the islands. Argentina has yet to accept or reject the proposal.

Sr Gabriel Valdes, leader of the Democratic Alliance, former foreign minister and Christian Democratic leader, acknowledged that Chile had already accepted the Pope's proposal, but said the join statement was intended to further support peace-making efforts.

Earlier this month the Chilean Foreign Ministry announced Chile would support an Argentine resolution in the United Nations on the Falklands dispute.

U.S. chemical weapons offer

BY ANTHONY McDERMOTT IN GENEVA

THE U.S. has invited the 40 members of the Committee on Disarmament to attend a seminar on the destruction of chemical weapons at Tooele in Utah in November.

Mr Morris D. Busby, the deputy U.S. representative to the talks, invited member and observer delegations "to participate in a workshop to be held at the U.S. chemical weapons destruction facility at Tooele." The 40 members include the Soviet Union, Britain, France and China.

A serious stumblingblock in these protracted talks has been the issue of verification. That, in its own way, is a measure of U.S.-Soviet relations. Yesterday Mr Busby emphasised: "It is our intention that it will also provide a forum for discussion of various means of verifying destruction of chemical weapons." Participants would be able to observe "a mock, on-site inspection exercise."

In presenting the invitation, Mr Busby declared that the U.S. attached "great importance to the efforts of the Committee on Disarmament to find a common approach to verification of the destruction of chemical weapons stockpiled, which is one of the principal obstacles to agreement."

Mr Busby was sceptical of Soviet offers this month on a quota basis for stockpile destruction. "We are being asked," he said, "to undertake a commitment to disarm without having an agreement on verification levels."

Mr Busby vigorously contested a Soviet statement according to which lack of progress in the conference had been caused by the American plan to produce a new generation of chemical weapons.

Cheap phone rates for Bank Holiday

BRITISH TELECOM customers in England and Wales will benefit from cheap rate calls and extended telemessage facilities during August Bank Holiday.

Managua to get Mexican oil

MEXICO is to supply Nicaragua with 14,000 barrels of oil a day – its full oil import requirement – on credit until August 1984, Tim Coone reports from Managua. The agreement follows a visit to Mexico by Sr Henry Ruiz, Nicaragua's Planning Minister, to discuss ways of repaying the $300m in trade debts Managua has accumulated with Mexico over the past three years.

Nicaragua is believed to have offered to pay for the oil deal in kind – primarily in seafood, timber and sugar – with cash payments to be resumed at a later date.

Luder set to win Peronist presidential nomination

BUENOS AIRES — Sr Italo Luder, a former senator and once provisional President of Argentina, has become the clear favourite to win the Peronist Party presidential candidacy since his only significant rival for the nomination, former economy minister Antonio Cafiero, has decided to pursue a lesser post.

The development has left the road clear for Sr Luder, a 63-year-old lawyer, to be formally selected as the Peronist candidate at the party convention on September 3-4.

Sr Cafiero, who trailed Sr Luder in provincial party elections of delegates to the convention, has accepted the nomination of his supporters for the candidacy of governor of the province of Buenos Aires.

The national convention is expected to name party vice-president Sr Deolindo Bittel as Sr Luder's running mate in the October 30 general elections.

The armed forces, which took power in a March 1976 coup, have promised to transfer power to elected authorities on January 30 next year.

The Radical Party is considered th only party capable of challenging the Peronists, who have dominated Argentine politics since General Juan Peron was elected President in 1946. The Radical candidate is lawyer Raul Alfonsin.

Mrs Isabel Peron, the nominal head of the Peronists, has lived in self-exile in Spain since July 1981.

Egypt delays date for N-plant bids after U.S. Eximbank blow

BY CHARLES RICHARDS IN CAIRO

THE EGYPTIAN authorities have postponed the closing date for bids for their first nuclear plant by two months. Bids were originally due by September 26.

The decision was taken at the request of the nine bidders, Egyptian officials say. Five American companies, and two each from West Germany and France, are bidding to build either one or two 1,000 megawatt units at El Dabaa, west of Alexandria on the north west Coast.

The bidders made their appeal after the American Export-Import Bank rejected requests for credits by two of the American bidders, Westinghouse and Combustion Engineering.

The Exim bank expressed general concern at Egypt's foreign debt, and said it was unwilling to commit credits to a project estimated at over $2bn without reasonable reassurance of repayment. The Exim bank is also worried that Egypt's energy pricing is so low that the project might not be able to pay for itself.

Exim's concern at Egypt's level of foreign debt led it to cable export credit agencies in other countries, warning that Egypt was a bad risk, to the chagrin of the State Department, which it did not consult in advance.

Despite Exim's warning about Egypt's creditworthiness, it is prepared to finance a $200m-$300m purchase of Boeing 767s by Egyptair.

It also told Westinghouse and CE that it would reconsider their offers if requests for export finance if other foreign export credit agencies backed the companies.

The French, who originally had the first option at Al Dabaa, are already greatly extended in Egypt. Because of their own economic difficulties, they are thought unlikely to be able to provide the near 100 per cent financing the Egyptian Nuclear Power Plants authority is requesting.

The West German Government has also said that Kraftwerker Union and BBC would have to seek non-government financing.

● The Israeli Energy Minister Mr Yitzhak Modai, has begun a four-day visit to Egypt to discuss oil imports a rare visit since the severe strain in relations after Israel's invasion of Lebanon in June 1982.

Israel is an important market for Egyptian oil, particularly with the world glut. It buys 40,000 barrels a day (2m tonnes a year) accounting for some 22 per cent of Egypt's exports, valued at about $500m a year.

Israel, unable to buy from Arab states, obtains about a third of its needs from Egypt, benefitting from low transport costs.

Rush & Tompkins wins £3m Ethiopian order

BY OUR WORLD TRADE STAFF

THE RUSH AND TOMPKINS Group of the UK has won a £3m order to supply plant and machinery to the Ethiopian Government for a £14m project for the diversion of the Amarti River, a tributary of the Blue Nile on the Ethiopian central plain.

The contract was won following negotiations by the company and by representatives of the British Overseas Trade Board.

The deal is understood to be the largest fully funded contract to be won by a British company under the authority of the European Development Fund, an EEC agency responsible for overseeing contract payments.

The project, being undertaken for the Ethiopian Electric Light and Power Authority, includes construction of an earth fill dam 700 metres long and the building of 20 km of gravel access roads. The contract is due to be completed by December 1985.

Fokker to develop F27 combat version

By Walter Ellis in Amsterdam

FOKKER, THE Dutch aerospace group, is developing a military version of its highly successful F-27 airliner for use, principally, by third world countries.

A prototype based on the existing F-27 maritime patrol aircraft has already been built and will be armed and provided with advanced avionics in England by British Aerospace and Marconi.

Among the weapons the new warplane could carry would be the French Exocet sea-skimming missile or its newer U.S. and British equivalents, the Harpoon and the Sea Eagle. It is reckoned that the F-27, which would also be equipped with electronic jamming devices and small-arms, could be used against surface vessels up to the size of frigates or destroyers.

Taiwan, Nigeria, Chile, Peru and the Philippines are understood to have expressed interest in the combat version of the F-27, which is the first warplane to have been designed by Fokker since 1940.

Mr Bram Stemerdink, defence spokesman for the opposition Labour Party in The Netherlands, said yesterday that it was unfortunate that Fokker should be considering the sale of warplanes to non-Nato countries, such as Taiwan. The export of military material, he said, should be permitted only under the strictest of guidelines.

The Christian Democrat Party, major partner in the governing centre-right coalition, believes that existing export controls are adequate and would cover the sale of the new F-27.

The aircraft will be taken to England for weapons evaluation once it has completed testing in Holland. Britain would benefit not only from the arms and avionics it would provide, but also from engine sales. The F-27 uses two Rolls-Royce Dart turbo-fan engines.

Lorne Barling on promising signs of recovery in the hard-hit ceramics industry

Export revival boosts British potteries

AN EXPORT revival is providing a long awaited boost for Britain's pottery industry, centred in Stoke on Trent, where around 20,000 jobs related to tableware and other ceramic products have been lost in the past two years.

World recession and Britain's previously high inflation rate, combined with the strength of sterling over this period, have had a devastating effect on the industry, with many small but wel-known companies being driven out of business.

Around half the industry's tableware output is sold abroad, mainly in North America and continental Europe, and British companies' loss of competitiveness on price has been a major cause of lost business, according to exporters.

However, leading companies such as Josiah Wedgwood, Aynsley and Royal Doulton—which produces around one-third of all the tableware made in Britain—have all experienced an upturn in export demand since the start of the year.

Although this improvement is slow and varies from market to market, most companies have cut production costs and are also benefiting from the UK's now relatively low inflation rate, offsetting the still high value of sterling in many countries.

It is estimated by the British Ceramics Manufacturers' Federation that in the past two years its members in the Stoke area have invested around £20m in new production equipment, much of it micro-processor based control systems, allowing them to be more price competitive.

A number of companies, such as Royal Doulton and Wedgwood, have also strengthened their marketing arrangements abroad and introduced new designs to help maintain sales volume through the difficult period.

Mr Richard Bailey, chairman of Royal Doulton, said he believed the tide was now turning, with signs of improved demand in a number of countries, particularly the U.S. Most important, however, was greater stability provided by the UK's falling inflation rate and less volatile foreign exchange markets.

"It is very difficult to operate successfully when the goalposts are moving all the time, but I believe that the problem is now easing" he said, adding that his company was now involved in a multi-million pound investment programme.

This follows the shedding of over 3,000 jobs in the past three years as heavy investment in research and development. "We have been putting our house in order in anticipation of improved demand," Mr Bailey said.

Royal Doulton had closed a number of factories and it is unlikely to employ the same numbers again he added, but he believed it was now better able to meet the highly competitive trading conditions abroad.

Wedgwood, on the other hand, carried out substantial investment prior to the onset of recession, and its foreign sales had held up well in the past two years, according to its chairman, Sir Arthur Bryan.

He believes this had been achieved through its wide products mix, ranging up from earthenware to fine china, and designs which were particularly aimed at the important North American market.

Like other companies, Wedgwood has experienced patchy demand in Europe, with a worrying weakness in the West German market which Sir Arthur attributed largely to an unfavourable exchange rate.

One major problem which remains for tableware exporters, he added, was the high level of UK interest rates when compared to countries such as Germany and Japan, which meant that British companies were not able to compete on equal terms.

In addition, the higher public sector charges—such as energy and rates—which the ceramics industry has had to absorb over the past couple of years remained a heavy burden.

Staffordshire Potteries, the world's largest manufacturer of coffee mugs, which are turned out at the rate of 500,000 a week, has seen a 21 per cent increase in its export volume compared with the early months of 1982.

The chairman, Mr Bill Bowers, said: "The most dramatic increase has occurred this year, with export figures for the first four months reaching an all-time high."

The company exports to 75 countries and nearly 40 per cent of its sales are overseas, but unlike other exporters it has experienced an increased demand from Germany, France and Northern Europe, particularly for earthenware table products.

Aynsley, which specialises in fine chaina, has experienced strong orders from the Middle East, where it has had a number of large contracts for its best quality products, while the important Canadian market has also improved recently.

The British market, which includes a fair proportion of indirect exports, has also proved buoyant for Aynsley, which has recorded a 29 per cent rise in domestic sales over the past year.

Overall, the medium-priced exports of tableware depend largely on the economic growth of individual countries. They relate, for example, to the rate of housebuilding in various countries.

High quality china, on the other hand, has suffered less from the recession and remains a craft product for which Britain is renowned and more companies are moving up market to take advantage of this.

Merchant ship tonnage on order up to 29.7m

WORLD merchant ship tonnage on order rose to 29.7m gross tons consisting of 2,845 vessels at end June from 26.6m tons comprising 2,817 ships, through the end of March, Lloyds Register of Shipping said.

More than 80 per cent of the world order book is scheduled for delivery by the end of 1984.

Japanese yards remained at the top of the order book during the second quarter of this year with 11.4m gross tons (661 vessels) followed by South Korea with 3.6m tons (189), Poland with 1.54m tons (121) and Spain with 1.5m tons (208).

China and Taiwan were next in the shipbuilding table with 1.3m gross tons (75 vessels) and Brazil, also with 1.3m tons (81).

The UK took seventh place with 708,000 gross tons (73 vessels), after which came Yugoslavia with 681,000 tons (74), France with 629,000 tons (42), Denmark with 621,000 tons (66). West Germany with 614,000 tons (93), Romania with 581,000 tons (23), Finland with 525,000 tons (56) and the U.S. with 519,000 (219).

The total order book on June 30 included 193 oil tankers amounting to 4m gross tons, 619 bulk/combination carriers totalling 15.9m tons, 492 general cargo vessels (2,000 gross tons and over) amounting to 5.9m tons and 79 liquefied gas and chemical carriers totalling 1.7m tons.

Lloyds said 1,759 vessels amounting to 15m gross tons were under construction on June 30. These included 111 tankers (2.3m tons), 261 bulk/combos (7.1m tons), 268 general cargo vessels (2.8m tons) and 59 liquefied gas and chemical carriers (1.4m tons).

Iraq to start search for oil in Jordan

BAGHDAD — Iraqi experts will start exploring for oil in Jordan soon under a new agreement between the two countries, the official Iraqi news agency Ina said yesterday.

It quoted Issam Al-Chalabi, head of the Iraqi national oil company who returned from a visit to Jordan yesterday, as saying the Jordanian side would prepare technical studies ahead of the exploration work.

An Iraqi official said in July that Iraq and Jordan were considering construction of a pipeline to carry Iraqi oil to the Mediterranean

Construction has started on a pipeline to the Saudi Arabian Red Sea port of Yanbu, 1,230 km southwest of Baghdad.

Reuter

Turkish power contract for Japanese consortium

A GROUP of five Japanese companies won a Y18.4bn (£495.2m) contract to build equipment at a Turkish hydroelectric power plant, the Nissho Iwai Corporation said yesterday, AP-DJ reports from Tokyo.

According to the contract signed this week, Toshiba, Hitachi, Fuji Electric, Nippon Plant Kensetsu and Nissho Iwai will build four hydroelectric turbine generators and a transformer substation at a large hydroelectric power plant in the Black Sea coast city of Altinkaya, north-west of Samsun, about 325 km north-east of Ankara.

The Japanese Government will lend the Turkish Government Y15.4bn to cover part of the costs. Turkey's general directorate of state hydraulic works then will pay the Japanese group on a turnkey basis, with payment coming after a succesful trial run of the equipment.

The Altinkaya project is part of Turkey's recent effort to supply its own electricity needs, 10 per cent of which currently is supplied by the neighbouring countries. The Japanese group's success in completing a similar project for another power plant in Hasan Ugurlu last February helped win the Altinkaya contract.

● Turkey is understood to be receiving 2.7m tons of crude oil from Algeria and is negotiating for more oil from Libya, AP reports from Istanbul. Turkey is to buy 300 tons of crude this year from Algeria, with a further 2.4m to follow on a rising scale over the next three years, under terms of a protocol signed between the two countries recently. In return, Turkey will provide Algeria with expertise and equipment

TECHNOLOGY

EDITED BY ALAN CANE

FINANCE FOR EUROPEAN TELECOMMUNICATIONS SHOULD RISE 50 PER CENT OVER THE NEXT DECADE

Investment calls will rule out tariff relief

BY GUY DE JONQUIERES

THE NEED to finance expanding investment programmes is likely to rule out any fall in telecommunication tariffs in Western Europe in the foreseeable future, in spite of a reduction in many of the other costs borne by national telecommunications authorities (PTTs).

This is one of the principal conclusions of a study* published this week by Logica, the British computer services group. The study suggests that total investment in telecommunications in Europe will rise by about 50 per cent in real terms over the next five to 10 years.

Annual investment by the PTTs in the seven largest European countries is currently running at about $15bn. But in several cases this is below the real level of spending in the mid-1970s and will have to be stepped up if PTTs are to take advantage of advances in technology and meet customer demands for a variety of new services.

Much of the spending will be to re-equip national networks with digital switching and transmission. "Every Western European country will be obliged to undertake the massive initial investment to instal these new networks — or risk losing its place in the ranks of the advanced industrial economies," the study says.

Difficulty

PTTs everywhere in Europe, except possibly in France, have had difficulty raising finance in recent years. Logica forecasts that they will borrow increasingly on the open market, perhaps by issuing bonds indexed to the inflation rate or the growth of telecommunications.

But it thinks that no other countries will be likely to follow the example of the UK, which plans to sell shares in British Telecom to private investors, for at least five years. They would do so only if it was shown that the decision had raised the level of investment and growth of British telecommunications, which have been among the lowest in Europe on a per capita and per telephone basis.

The study expresses strong doubts on this score. "The record of British management and the investment community in supporting large-scale investment in industry is poor; squeezed between tight tariff constraints and the demand for high profits, BT could find it just as difficult to increase investment as before."

Other factors working to keep tariffs up throughout Europe include a general relaxation of government price controls over telecommunications and a commercially more aggressive attitude among PTTs, which will emphasise profitability over service in the future. These trends will more than offset declining costs of digital electronic technology and the probability that PTTs will strike harder bargains with equipment suppliers.

The study foresees a gradual and somewhat uneven spread of more liberal policies towards the supply of subscriber equipment and value added network services. But PTT monopolies over the provision of telecommunications circuits are likely to remain intact on the Continent. Other European countries believe that attempts to stimulate competition in this field—as Britain is doing by licensing the independent Mercury network—are wasteful and ineffective.

The study points out that many PTTs are not enforcing their monopolies over the supply of terminals and equipment for newer services such as videotex information systems. In West Germany, the Post Office (Bundespost) has agreed to limit its share of the facsimile equipment market to 20 per cent, while in France a more liberal approvals policy has produced freer competition and lower prices in the private exchange (PABX) market.

But in many cases, markets are still open only to local manufacturers and PTT purchasing policies remain highly nationalistic. "In a time of recession and high unemployment the European Commission's dream of a common market in telecommunications seems as far away as ever," Logica says.

It blames European manufacturers for resisting freer trade within the EEC and warns that they are forfeiting the economies of scale needed to compete against U.S. and Japanese suppliers. The best solution would be for European companies to agree bilaterally to pool development resources and share contracts.

Volume and Sources of Investment by European PTTs

Country	Total annual investment	Exchange rate (units/$)	Investment in $	Investment per inhabitant*	Source of funds
UK	£1590m in 1982/83	0.645	$2460m	$44	88.8% internal in 1982; balance mainly from government funds; very limited open market borrowing
The German FR	DM 14,900m in 1983	2.55	$5843m	$95	42.8% internal in 1981; balance on the open market subject to government approval
France	FFr 27000m/yr 1983-85	7.68	$3520m	$65	About 80% internal; balance on the open market through specialised institutions
Italy	4170bn Lira in 1983	1510	$2760m	$49	Internal funding was very low but has now risen to about 50%; balance on the open market
Sweden	SKr 4,250m in 1981/82	7.63	$557m	$67	85% internal; balance from government funds; Teleinvest borrows on the open market
Spain	About Pta 110bn/yr	143	$769m	$20	45% internal in 1981; balance on the open market, including overseas loans
Netherlands	Fl 1600m in 1982	2.85	$561m	$39	Funding government controlled

* 1981 population numbers

The outlook for new network services is more complex and confused. The study points out that public response to much-heralded innovations such as videotex has been generally disappointing. Demand for high-speed data circuits has been confined so far mainly to specialised uses among a small number of large customers with sophisticated needs. The market is likely to grow more slowly than PTTs expect and may not develop strongly until the 1990s.

Some more modest value-added services, such as protocol and code conversion, deferred transmission and electronic mailbox facilities could develop faster. But PTTs will find it difficult to provide a wide range of specialised services to a limited clientele and may decide to follow Britain's example by allowing competition in these fields.

Logica suggests that the commercial success of new network services will be decided by the extent to which they contribute to the ease and convenience of communication. The PTTs could usefully pay more attention to offering a wider variety of facilities for voice communication, such as abbreviated dialling, call diversion and automatic alarm calls.

Such services have not been emphasised so far because few exchanges in operation at present can provide them, and because a lengthy and expensive education campaign would probably be needed to persuade the public to use them. But unless such a campaign is undertaken, the capacity of the new generation of electronic exchanges now being installed will be under-utilised, the study says.

The study features detailed descriptions and analyses of the position and trends in each of the major European telecommunications markets. It covers arrangements for the supply of equipment and services, procurement policies, regulation, and PTT financial information.

* *Communications in Europe—The Changing Environment; £295.00; published by Logica, 64, Newman Street, London W1A 4SE; tel (01) 637 9111; telex 27200.*

COMPUTER AIDED ENGINEERING

Applicon integrates on 32-bit software

APPLICON has moved the computer-aided engineering (CAE) idea further forward with the announcement of new 32 bit software including a database management system that allows yet more integration of functions within the whole area of mechanical design and manufacturing.

According to Dr Russel Henke, vice president of marketing for Applicon, this kind of approach will be increasingly dictated by the need to bring new high quality and reliable products to the market in shorter times.

He also noted that in the U.S. the shortage of good engineers has meant starting them from college at $25,000 (£17,000) a year. So there is a need, too, for higher engineering productivity.

The overall objective of the system, which is called Bravo, is for the designer to build prototypes in software rather than using the old "cut and try" methods. So repetitive testing and modification takes place on a mathematical model in the computer—dramatically reducing the time for refined hardware to see the light of day.

The data developed to model a part by interactive screen and keyboard work immediately becomes part of the underlying database. It is subsequently available for analysis, draughting and manufacturing—without file transfers between separate computers.

Using a one line or (if the user needs it) an extended description menu, the designer can deploy "wire frame" modelling of parts and then define surfaces on-line using simple construction lines. The system automatically interpolates the lines to create a smooth surface.

Also available is an enhanced version of the company's Solids Modelling facility — "hidden lines" are removed in real time and shaded images (in which illumination appears to be coming from a specific direction) are calculated instantaneously, it is claimed.

Having constructed and visualised the part, the designer can proceed to analyse it in various ways, for example, the behaviour of linkages can be examined and kinematic analysis carried out in two or three dimensions.

Then, deflections, strains, stresses and vibrational modes can be examined using a software element that takes the previously constructed model and creates a finite element mesh on its surface.

Graphical

A relatively modest-scale analysis is carried out to give a graphical display of mode shapes, while colour contour plots allow the engineer to instantly see the location of design weaknesses — "without analysing miles of print-outs."

Furthermore, the model can be animated on the screen to illustrate the effects of vibration.

After the design is "tested" and documented the data is processed by further software that gives a direct numerical control output for cutting operations on suitable machine tools.

The program is a product of an associated Schlumberger company, Manufacturing Data Systems, which claims to have captured 50 per cent of the NC tape preparation market.

Applicon has also disclosed that it will soon be moving into the printed circuit board design area following an agreement with Algorex Corporation of New York.

The software will provide "state of the art solutions" for digital PCB design and analysis and will be integrated with Applicon's present offerings for semiconductor circuit design. More in the UK on 061 429 7227.

GEOFFREY CHARLISH

Manufacturing

Oxford's ion beams

OXFORD APPLIED Research, innovator in ion beam systems used in milling and in semiconductor manufacture has signed an agreement with the neighbouring Oxford Instruments Group for the manufacture and marketing of its advanced equipment.

The ion beam milling equipment was developed by Dr Roy Clampitt, managing director of Oxford Applied Research. Oxford Instruments has formed a new materials science group to manufacture the systems. Oxford Instruments is on 0865 722768.

Software

Compiler for Ada

A COMPILER for the new real time programming language, Ada, has been announced by the UK computer services companies Software Sciences and Systems Programmers.

York/Ada which runs on the DEC top-end VAX computer is the result of a four-year development programme at York University.

Systems Programmers and Software Sciences will market the new compiler worldwide. VAX Unix and VAX VMS versions are available immediately. SPL is on 01-637 4353; SSL on 0252 544321.

Inspection

Electronic Gauging

MARPOSS OF Coventry have announced an on-site service for the conversion of mechanical dial gauges to their electronic equivalents. The company says the most complex fixtures can be converted in less than half a working day, resulting in faster, more accurate and more detailed inspection.

The secret is interchangeable transducers with the same diameter as the clamping diameter of the mechanical gauges which have been developed by Marposs. More on 0203 27491.

Bar coding

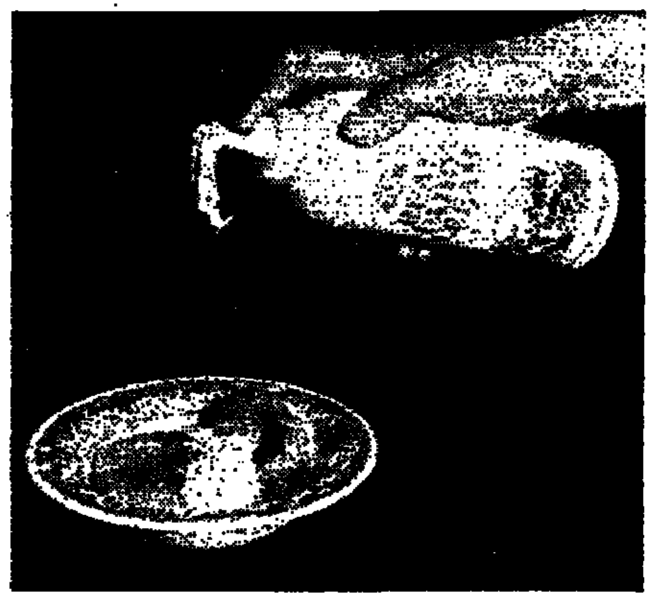
OPTICAL BAR codes can be printed on the Omniprint 300 printer by virtue of a new software package released by the manufacturer.

It can be attached to any computer or terminal. The software package is priced at £250 including label printing facility.

More on 0258 55067.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ



Anchor's away to new markets

Carla Rapoport on a novel aerosol product

PURISTS with their whisks and chilled bowls will be shocked, but it is accepted wisdom today that 8 per cent of Britain's £70m retail cream market now comes fizzing out of aerosol cans.

All of that 8 per cent is owned by Anchor Foods, specifically by Anchor Foods' aerosol Real Dairy Cream. Since its launch some 18 months ago, aerosol cream's sales have outrun the most optimistic estimates of both industry experts and its creators. Today, the convenience cream looks set to double its market share in the next 18 months.

The success of cream in an aerosol can seems to be one which defies gravity. The British consumer has a notoriously conservative palate and Anchor, the UK arm of the New Zealand Dairy Board, has only six sales people in the UK.

As is often the case with extremely risky gambles, economic necessity gave Anchor the courage to tackle the impossible. EEC quotas governing access to British markets have meant that Anchor has been forced to diversify or else be strangled. This year, for example, the quota for New Zealand butter is only 87,000 tonnes, just under half what Anchor was selling at its peak in the early 1970s. For cheddar cheese, the company's quota has shrunk from 60,000 to 6,500 tonnes this year.

As more restrictions seemed imminent, Allan Pollack, managing director for UK and Europe, launched a programme of product diversification which has been taken up by Keith Collins, the current market development manager.

So far, the company has managed to expand from three product lines—all butter—to some 43 product lines based on butter, cream and cheese. For all of the new products, Anchor has hammered out its most important criteria:

- The new product must be capable of supporting the Anchor brand, i.e. be wholesome. as well as allied to the field of dairy products.
- It must be a product which cannot be easily copied by competitors.
- It must be capable of generating significant volume (to help compensate for quota cut-backs).
- It must provide a solid profit margin from which advertising support can be funded.

The company also puts a premium on a distinctive product and one which has a practical shelf-life of at least six weeks. Aerosol cream happily met all these criteria, yet even Anchor wasn't prepared for its success.

Demand for the product soared so quickly last summer that advertising had to be halted while stocks could be rebuilt. Since then, the group has announced a new £1m factory to be built solely for the manufacture of aerosol food products.

"In all our experience, we've never seen a product respond so quickly to advertising," says Collins. Traditionally, he says, the cream season is June, July and August, plus the two weeks before Christmas.

"We found by advertising on television in February and March and October and November that we were able to create two secondary peaks for ourselves," he says. The company has spent close to £1m on television and market research for the product and has yet to regret a penny of the expenditure.

To both the company's and industry's surprise, aerosol cream sales have merely expanded the cream market in the UK, not knocked down sales of conventional fresh and UHT cream.

"We weren't very happy about Anchor's aerosol cream to begin with," admits John Jefferson, a senior buyer for Tesco, the UK supermarket chain. "We thought it would detract from our own sales of fresh cream, but it has actually created a market for itself. If you had asked me if I thought it would do this well, I'd have said no way—our initial reaction was disbelief. Others have tried and failed in this field, but Anchor has a name and supports it well."

Industry sources confirm Anchor's figures for its product, showing that sales of UHT cream now account for 30 per cent of the packaged cream market, compared with 25 per cent last year. (Anchor's aerosol cans fall in the UHT category.) In volume terms, the sales of packaged cream have jumped from 25m litres in 1982 to an estimated 28m litres this year, with Anchor earning most of the credit for the increase.

"This product has made us change our view about Anchor," says Tesco's Jefferson. "We are now much more receptive to their new products coming along."

Collins is shy about revealing profit margins for his aerosol cream, but at around £1.15 a can (compared with 85p for a pot of double cream), he's not complaining. "He's making a lot more money than I am," says Jefferson, "and that will be a negotiating point if this thing continues to grow."

Anchor credits its market researchers for much of the success of aerosol cream. They found that only real cream in a can would appeal to housewives, with the convenience of a long refrigerator life justifying the higher cost. "We found that customers often threw fresh cream away because they'd bought too much and it had gone bad," says Collins.

Anchor's experience with new products, however, hasn't been as totally smooth as whipped cream. A sorbet which met most of the company's criteria had to be dropped because it couldn't generate sufficient volume.

Sometimes, he says, its harder to drop a product than to go through with it. "New products become your children," says Collins, "but like children, when they start misbehaving, they have to be smacked."

Collins says that Anchor gets its ideas for new products from "everywhere, we're not proud". Aerosol cream grew out of a visit to an international food fair. This, in turn, led to a deal with a Belgian food group which had the technology for putting UHT cream into an aerosol can. Even then, Collins says he spent more time with the county trading standards officer than with the company's accountants before the launch. Unlike American and continental products, Anchor's aerosol cream couldn't have any extra flavourings.

In the last month, Anchor has spread its wings further with another new idea, Anchor Shake. So far, sales have been promising. But even Collins admits that the new product is an innovation of packaging rather than food. The shake's large package allows the liquid inside to be shaken up into a thick, creamy consistency, like the sort of shake one can buy in a fast food restaurant.

The packaging angle is crucial for Anchor. "Trying to get the housewife to change her eating habits is very difficult," says Collins, "but if you present her with something she knows and loves, in a slightly different form, then you are in good shape."

In a recent report on Anchor, Kraushar and Eassie, the management consultants, speculated on whether Anchor will try to extend the success of its aerosol format into other new areas. Collins isn't giving anything away, but points to the U.S. market where aerosol cheese has made major inroads into the snack cheese market.

"They might be pushing their luck," comments a supermarket buyer on this possibility. "But then, they have put together an impressive track record on a product I thought no one would buy."

A policy of direct approach

Feona McEwan on the increasing popularity of selling finance through the post

THEY'RE ALL doing it. From the minnows to the whales—be it the humble local broker or the mighty Prudential Assurance—the insurance world is discovering that one way to sell cost-effectively and fast is by means of the postage stamp.

Direct mail is, of course, only one wing of the whole direct marketing approach — direct response can also come from Press or television ads, which invite direct reply.

And it's not only insurance houses. Other financial institutions—building societies, banks and unit trusts—are waking up to the direct marketing habit.

Christian Brann, one of the UK's largest direct mailing houses, reports brisk business in the financial sector. "In the first half of this year," says creative director, Graeme Robertson, "we've picked up nine different financial institutions including Standard Life, Schroder Life, Fidelity and Perpetual Unit Trusts. This is alongside existing business from Guardian Royal Exchange, UK Provident, and Trustee Savings Bank."

In the last two years there have been distinct signs of movement outside the traditional routes (door-to-door salesmen, broker and branches) towards supplementing income with direct mail. The Pru, for instance, recently spent £69,000 (at ratecard prices) on a one month direct response television campaign.

By comparing the annual premiums of life assurance and pensions in the U.S. (£50bn or £225 per person) with those in the UK (£7bn or £125 per person) and making allowances for the fact that Americans tend to be overinsured, Robertson conservatively estimates that there is a slack of about £3.5bn per year in the UK. This points to a potential increase in the market of at least 50 per cent.

One of the most convincing examples of direct mail concerns the clever marketing by building societies of the newly legalised MIRAS scheme. This enhanced the appeal of insurance-linked endowment mortgages following the government's introduction of a new system of mortgage interest tax relief. Seven of the major societies including the Halifax, Abbey National and Nationwide, chose direct mail to persuade borrowers they might be better off with a low-cost endowment scheme by sending them various insurance policy details. Between them, according to Financial Marketing News, they mailed0 1,892,000 people (at an estimated total cost of £473,000). For a spend of under half a million they coined a remarkable return in commission of around £30m.

"My personal guess is that these MIRAS mailings are the most successful of all time," says Robertson, who believes that financial direct marketing is nowhere near fully tapped. Life insurance, he believes, offers huge potential. He is convinced there is a huge faceless mass, all under-insured and under-approached by the traditional salesmen—ranging from the man from the Pru to the pinstriped broker.

It will surprise no one that the U.S. has been attacking the direct mail route aggressively for some years now. There are myriad packages to choose from—policies for Vietnam veterans, slim people, health fanatics.

Although Access and Barclaycard include 'stuffers' in their mailings, banks themselves are missing out

Now companies outside the life insurance area are becoming involved. Ingenuity knows no bounds and you can even buy your life cover in the same breath as your baby food. Gerber is the company offering this deal.

It's only a matter of time before the UK picks up similar habits, some marketeers believe.

"The fascinating thing," says Robertson "is that people are buying from these non-traditional sources." This is starting in the UK with department stores like Debenhams, which regularly mails its account holders with life assurance, loan offers and health insurances.

Access and Barclaycard too include "stuffers" in their mailings to subscribers. Banks themselves on the other hand, are missing out, according to Robertson. He points out that they are privvy to just the sort of information (age, income and so on) that would facilitate a successful direct marketing shot.

Unless they get in on the act, traditional companies relying wholly on door-to-door salesmen and brokers only are in danger, says the direct mail industry, of finding their market eroded.

Bearing in mind that life assurance policies have inbuilt commission, varying from as high as 100 per cent of the first year's premium to about 30 per cent, the marketeers believe the direct approach makes good financial sense. And by selling direct, without commission, a company can siphon the money back into promotion. And if that promotion brings in business, goes the argument, why have intermediaries.

Finance is certainly a tailor-made product to market direct. No warehousing, carriage, delivery, packaging or other overheads. What is more it has to be sold, people won't walk in and buy it off a shelf.

The beauty of direct response marketing, the industry intimates, is that its effectiveness is quickly tested. If a press ad is repeated, the first effort must usually have paid for itself. A good average response to a direct mail shot is 8.5 per cent, though it can be as high as 12.

With the interactive age on the horizon, Robertson believes the future holds enormous implications for financial direct marketing. He looks forward to the day of buying a life policy over the screen with the same ease as ordering baked beans.

Harrods chairman refuses increase

By John Moore, City Correspondent

PROFESSOR Roland Smith, the non-executive part-time chairman of House of Fraser, the Harrods stores group, has decided to turn down a controversial offer to increase his salary by other non-executive directors from £50,000 to £80,000 per annum together with a full package of executive fringe benefits.

His decision was announced yesterday ahead of a board meeting of the group and a possibly acrimonious row between House of Fraser and Lonrho, the international trading conglomerate which holds 29.99 per cent of Fraser shares.

Last night, Lonrho said, "he could not really take it. For once, it is one position he has got right."

This follows an announcement a day earlier that the Department of Trade and Industry, following a complaint by House of Fraser, had decided to investigate the shareholdings of Fraser and establish their true identity.

Fraser has alleged that mystery shareholdings are being built up in the group to help Lonrho in its plans to acquire more influence over Fraser and force it to float off Harrods of Knightsbridge.

Lonrho was also planning to mount another campaign, its second since Professor Smith took over the chairmanship in 1981, to remove him from office.

Control of Waddington elusive for Maxwell

BY DAVID DODWELL

MR ROBERT MAXWELL, chairman of the British Printing and Communications Corporation (BPCC), last night claimed he was "within a whisker" of capturing control of John Waddington, the games and packaging group best known for the board game Monopoly.

When the shutters came down on the first closing date of his £17m share and cash bid for Waddington, he reported acceptances amounting to 45.85 per cent of Waddington's shares.

Saying the share offer would remain open until early tomorrow afternoon, he disclosed at the end of the day that last-minute acceptance had lifted his stake to 47.3 per cent.

The bid, mounted through Mr Maxwell's 75 per cent-owned BPCC, has been hotly contested by Waddington.

Many City analysts last week wrote off the assault, following a coup by Waddington's financial advisers, Kleinwort Benson, in which it revealed that shareholders accounting for 46.2 per cent of Waddington's shares planned to stay loyal to the company.

Mr Maxwell said last night: "We were flabbergasted when the Takeover Panel backed Waddington's right to make that statement – and our advisers said we could not expect to get as close to winning as we have.

"But with more than 47 per cent in the bag, we have more acceptances coming in and are within a whisker of taking a majority."

At the same time, Mr Victor Watson said yesterday he was "cautiously confident" that he had succeeded in fighting off the BPCC bid.

"We have had a nervous three months," he said. "We have made ourselves more efficient across the board over the past year, and I think shareholders have recognised this."

Upturn in building still shaky

BY IVO DAWNAY

PRIVATE housebuilding is continuing to buoy up the UK construction industry although there are clear indications of a continuing dramatic decline in other sectors.

Figures for the second quarter released by the Department of the Environment yesterday show a 2 per cent rise in total orders against the same period last year. However, they also record a 17 per cent fall since the first quarter.

Private housebuilding orders were 19 per cent lower than the first quarter, but the report still shows a 24 per cent rise on the equivalent period in 1982. Analysts account for the fall as a temporary reaction to fears of mortgage rises combined with general uncertainty over the general election outcome in June.

Although a new mini-boom is expected for the private sector, public housing is continuing its underlying downward trend with a 21 per cent fall against the January–March quarter and a 3 per cent drop compared with last year.

But the most alarming figures centre on non-housebuilding sectors. These show a continued decline in both industrial and commercial building in the private sector and a reversal of the upturn in public construction spending.

The public sector orders index, which improved by three points to 88 in January to March (1975=100) has now dropped back to 74, or more than 10 points down on the final quarter of 1982.

Orders for the overheated private commercial sector have crashed from a first quarter £299m (at 1975 prices) to £254m, after a £345m figure in the same quarter last year – a fall of 15 per cent and 26 per cent respectively.

Private industrial orders fell by similar rates against the first quarter, though this represented only a 3 per cent downturn on last year.

Lobbying for TUC posts hots up

By Philip Bassett and John Lloyd

THE POLITICAL complexion of the general council of the Trades Union Congress, and thus the nature of its relations with the UK Government and the opposition Labour Party, hangs on the result of intensive lobbying for seats on the new council, to be constituted at the annual congress in two weeks' time.

In direct contravention of guidance just issued by the TUC on "institutionalised canvassing," senior union leaders are now circulating left and right-wing slates of candidates to be elected by the 83 smaller unions, in an effort to maximise the influence of their respective political groups.

Under a new system of selecting the 52-member general council due to be adopted this autumn, 35 seats are allotted automatically to unions with more than 100,000 members, six seats are for women elected by all unions in a secret ballot, and 11 seats will be elected among the 83 unions which do not qualify for automatic representation.

Left-wingers who attended a caucus meeting on Tuesday night in London still seemed confident of success, partly because they feel their candidates will attract votes because of their length of service on the council and its committees, and partly because of industrial, rather than political, voting. However, a left-wing victory is still probably against the odds.

The Left's chances of success will be enhanced if two sections of the large Transport and General Workers Union – the farmworkers and the textile workers – succeed in retaining the independent status which the general council narrowly conferred to them earlier this year.

If, as expected, the pre-congress council next Thursday overturns this decision, their votes will be counted in with the TGWU in the large union section and be lost to the Left in the small unions.

The Centre-Right will command 21 "automatic" votes on the council, and if it made a clean sweep in the small union and women sections it could command a majority of 37 over the 15 "automatic" Left votes. A similar clean sweep for the Left would give it a 31–21 majority, but many council members expect the decision to be less clear cut.

Brian Groom adds: Increasing numbers of UK employers are using positive discrimination techniques provided for under the Race Relations Act 1976 to achieve equality of opportunity, according to a report published by the Commission for Racial Equality yesterday.

These include: job advertisements aimed at ethnic minorities, special encouragement to people from minority groups to apply and be trained for promotion, as well as recruitment and training schemes aimed at under-represented groups of school-leavers.

Offer for Ibstock withdrawn

By Ray Maughan in London

LONDON BRICK, the sole manufacturer of fletton bricks in the UK, has dropped its planned £51.7m ($78.5m) bid for Ibstock Johnsen despite the clearance given last week by the Monopolies Commission after a six month examination of the domestic brick market.

Despite London Brick's determination to diversify into the quality facing brick sector, in which Ibstock has the largest share, Mr Jeremy Rowe, the chairman of London Brick, was adamant yesterday that "we're going to call it a day."

London is withdrawing following its failure to agree a revised price for a business which is reviving strongly in a recovering area of the economy. The two sides had agreed terms of 96p per share, or £21m, with Ibstock towards the end of 1982 before reference to the Monopolies Commission and the intervention of Redland with a rival bid worth £34.7m.

Redland lost interest during the reference period although it was becoming clear that Ibstock was beginning to benefit from the effects of rising brick demand.

Process industries spend less on plant

BY PETER BRUCE IN LONDON

INVESTMENT by Britain's process industries on plant last year fell nearly 20 per cent below expectations, to £1.7bn ($2.5bn) from £2.05bn in 1981. A report published yesterday also points out that the orderbooks of UK process plant contractors have slimmed dramatically.

Overall capital expenditure by UK process industries at 1982 prices rose slightly last year, by £258m to £5.5bn. Measured against 1975 prices, however, this also declined, from £2.7bn to £2.54bn, according to a study by the National Economic Development Office's process plant economic development committee.

The study forecasts that investment in process plant is likely to remain fairly steady for 1983 and 1984, but will fall again in 1985. It says that information collected from 21 process plant contractors indicates "an ominous combination of declining work outstanding and reduced new orders."

New orders for plants erected in the UK, says the report, totalled £318m last year, sharply down from the £570m of 1981 and the £1.3bn recorded in 1980. The slump in new orders for plant erected abroad last year was even sharper, totalling £311m against £986m in 1981 and £1.27bn in 1980.

In the oil refining and oil and gas sectors, the value of new orders won by UK contractors equalled around 12 per cent of the value of 1980 orders.

A detailed breakdown of forecast and actual spending in the process industries, often heavily dependent on information from state-owned monopolies, also reveals that:

- Capital investment by the chemicals industry will fall this year to £810m, at 1982 prices, from £853m in 1981 and £967m in 1980. Investment in process plant is forecast to fall to £405m, from £427m last year.
- The nuclear fuels processing industry expects to steadily increase its capital investment from a total of £237m in 1981 to £470m in 1985.
- Spending on oil and gas production should rise this year, to £2.85bn from £2.8bn last year, with increases in expenditure on structures and production wells. From 1984 to 1988, however, the study forecasts a decline in investment to an optimistic estimate of £353m.

Process Industries Investment Forecasts No. 18. Nedo Books. Nedo, Millbank Tower, Millbank, London SW1P 4QX. £10.

Capital and income bonds to end

THE UK Government is holding to its decision before the June general election to legislate against "capital and income" bonds. These bonds would have been outlawed by the Finance Act 1983 had not the election prevented the necessary clause being added at the committee stage of the Financial Bill.

Capital and income bonds enabled an individual to use tax-exempt life insurance policies as a shield for the investment gains made through other non-exempt policies taken out under the same premium.

Nuclear export orders rise to over £2.7bn

BY DAVID FISHLOCK, SCIENCE EDITOR

THE BRITISH nuclear industry has export orders in hand worth more than £2.7bn. This was disclosed by British Nuclear Fuels, the state-owned nuclear group, which yesterday announced record profits last year of £114m, up from £91m, in 1981–82.

The total includes orders for the reprocessing and transport of nuclear fuel worth about £2bn.

The company's Sellafield factory in Cumbria will handle the major share of the nuclear export business. New export orders last year totalled £91.5m, an increase of £24m on the previous year.

The other major sectors of export business are for the enrichment of uranium at its Capenhurst factory in Cheshire, worth about £600m; and for what the company calls its "intermediates" business concerned with nuclear fuel, at the Springfields factory in Lancashire, worth about £100m.

The group has a 10-year capital investment programme to 1993–94 worth an estimated £3.5bn, nearly all of which will be spent with British industry, it says in its annual report.

The dominant item in this programme is the £1.2bn thermal oxide reprocessing plant (Thorp) at Sellafield, which will process the imported spent fuel. Construction of the fuel reception facilities for Thorp has begun, and work on the main plant will start next year, said Mr Con Allday, BNF chairman.

Radioactive waste management facilities, mostly at Sellafield, will account for a further £900m, of which about £200m is committed to the French-developed vitrification process for solidifying the highly radioactive effluent from reprocessing.

A further £100m is earmarked for new vessels and fuel casks for the transport of spent nuclear fuel.

In addition, BNF plans to spend about £600m expanding its gas centrifuge capacity for uranium enrichment at Capenhurst. It has just begun to manufacture a more advanced centrifuge, with four times the output of its original production machines.

The company is also spending about £150m on nuclear fuel manufacturing, facilities at the Springfields factory.

Rivals to link up for missile contract

By Bridget Bloom, Defence Correspondent

BRITISH Aerospace Dynamics Group and Lucas Aerospace, after more than a year of intense competition to supply the UK Defence Ministry with new anti-radar missiles, have agreed to combine to produce the weapons for the Royal Air Force.

BAe has now signed a £200m to £300m contract to produce some 750 air-launched anti-radiation missiles (Alarm) for the RAF by 1987. It has appointed Lucas as one of its main sub-contractors.

BAe Dynamics won the battle to supply the new missiles at the end of July. Mr Michael Heseltine, the Defence Secretary, announced then that "subject to the satisfactory completion of contract negotiations" the Government would buy the British Alarm rather than the U.S.-developed high-speed anti-radar missiles (Harm)

Mr Heseltine made it clear at the time that the principal reasons for choosing the British weapon were that key technology would be retained in the UK and 3,000 jobs would be maintained.

Contract negotiations were finalised on August 15.

Managers fault their own performance

BY ARNOLD KRANSDORFF

MANY EXECUTIVES blame themselves for British industry's failure to cope effectively with recession, according to a study published yesterday.

A research group linked with the British Institute of Management says many of those surveyed criticise the way they – and particularly their chairmen and non-executive directors – have reacted to the difficulties of the past couple of years.

They accuse themselves of reacting to events instead of taking a longer-term view of their companies' health and prospects.

This frank admission of failure emerges in a report prepared for Management Research Groups, a long-established research and discussion forum for top management. The authors canvassed the views of more than 200 senior managers, mainly at director level.

The respondents did not include chairmen or non-executives – the target of some of the criticism.

"Past performance of very many companies is acknowledged to have been, with hindsight, well below what was possible," says the report. "The fact that much has been done to raise performance in the last two to three years is both a cause for satisfaction and a measure of past inadequacies."

The report says that many top managers recognise the failure of some directors to set high standards of performance.

"There is a strong view that if boards of directors are ultimately responsible for company performance, then a close examination of their own performance is needed," it adds. "Underlying this is the apparent weakness in the realisation of the roles of company chairmen and non-executive directors."

The report points out that weaknesses at board level have included an inability to find a long-term solution to the industrial relations problems that have bedevilled much of British industry.

"The fear is that the trades unions will revert to previous attitudes, as will management, once there is an upturn in economic activity."

Management Performance and the Board. MRG, Management House, Cottingham Board, Corby, Northants NN17 ITT. £2 plus postage.

Convertible Escort on way from Ford

By John Griffiths

FORD is joining the increasing number of European manufacturers offering open "cabriolet" versions of their medium hatchback models. The Escort Cabriolet will go into production next month and be on sale in the UK by the end of the year.

It will be built by Karmann, the specialist coachwork company based at Osnabrück, West Germany, which also makes convertible versions of the Volkswagen Golf and VW's Scirocco coupé model. Ford expects to sell 2,000 in the UK next year.

Ford is also known to be considering putting into production a similar model based on the Sierra.

At the same time, Vauxhall is expected soon to decide whether to proceed with limited production of a convertible Cavalier – an example of which has already been seen at several motor shows. This car was designed and built by Robert Jankel Design of the UK. If production does go ahead, it is expected that Vauxhall will commission Jankel to build the car on a sub-contract basis, at least initially, rather than commit it to the production lines at its plant in Luton, Bedfordshire.

Unit trust sales grow

BY CLIVE WOLMAN, SAVINGS CORRESPONDENT

THE FUNDS managed by unit trusts reached a record high of £10.39bn at the end of July, after a net inflow of £115m during the months, according to figures released yesterday by the Unit Trust Association.

Sales of units in July were valued at £179m, bringing the sales for this year to £1.336bn. This compares with sales of £1.158bn in the 12 month of 1982, which was itself a record. The encashment of units fell from £75m in June to £64m in July, the lowest monthly figure this year.

The number of unit trusts on the market grew by six in July to reach 584, equivalent to almost a third of the number of UK quoted companies.

After a record net inflow of £390m into unit trusts in the first three months of the year, in line with the rapidly rising UK and U.S. stock markets, sales tailed off in April and May in anticipation of the general election.

Since the election, however, the net inflow of funds has been approaching the level achieved at the start of the year.

A net inflow of funds to unit trusts has been recorded now for 38 successive months, since the spring of 1980, when total unit trust funds amounted to only £4bn.

Oil tax bonus forecast

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil taxation this year seems set to exceed official Government estimates by at least £1bn, according to the Royal Bank of Scotland.

The bank said yesterday that production trends in the past four months indicated that oil revenues in the 1983–84 financial year would be at least £9bn, compared with the £8bn estimate contained in the March budget forecast. As a result, the bank said, oil taxation would act as a cushion against overspending in other areas and would help to keep public borrowing within the reach of budget plans.

Three factors explained the Government's cautious estimate, the bank went on:

- In early spring, considerable uncertainty existed about whether international oil prices would be maintained.
- The Energy Department had consistently produced a low estimate of production levels for this year.
- Treasury calculations might not have allowed for the recent substantial appreciation of the dollar against sterling. North Sea oil, in common with that produced by the rest of the industry, is priced in dollars.

Carla Rapoport finds consequences ranging from building to brake lining

Asbestos rules will set pace for EEC

NEW recommendations from the UK's official Health and Safety Commission on asbestos are soon to catapult Britain into the lead among EEC countries on controlling the use of the substance.

The proposals, announced on Tuesday night, are that:

- The maximum amount of asbestos allowed in the air should be reduced. The limit for white asbestos, the most commonly used form – currently one fibre per millilitre of air – would be halved from next August.
- Import and use in manufacturing of brown and blue asbestos, and products containing them, should be banned.
- Stringent licensing regulations should be introduced for companies involved in asbestos removal. None covering this type of work exists at present.

Many industrialists fear, however, that despite these moves, a number of the problems associated with asbestos are likely to linger for years to come.

In general, the companies which make asbetos-based products, such as Turner & Newall and Cape Industries, are not discomfited. These companies have known for years that asbestos fibre is a hazardous substance which can lead to lung disease and, in rare instances, cancer.

As a result, they have already eliminated the use of the more dangerous blue and brown asbestos, sharply cut the amount of respirable fibre in their plants, and, at the same time, have been steadily reducing their proportion of asbestos-based products by developing asbestos substitutes.

In this context, the commission's recommendation to ban blue and brown asbestos imports is a non-issue. The reduction of respirable fibre in plants to 0.5 fibre/ml, compared to a one fibre/ml limit in the existing EEC directives, will be met in most cases without too much trouble.

The areas of concern which remain are twofold: Can the tough licensing regulations on independent contracters which the commission recommends be enforced and can asbestos ever be totally phased out? At the moment, the answer to both appears to be negative.

In a statement welcoming the Health and Safety Commission's recommendations yesterday, the National Federation of Building Trades implied that most of the new requirements were already met by the *reputable operators*. "The main risk in the building industry stems from cowboy operators who persistently flout safety precautions."

A federation executive said later: "If the cowboy operators want to cut corners at every opportunity when dealing with asbestos, they will continue to do so. I don't know if these changes can help that."

Mr David Llewellyn, a director of Cape Industries, pointed out that Cape Contracts – a subsidiary which deals with asbestos stripping – is subject to regular inspections on safety precautions because of its prominent size and position in the industry. "It's difficult to find the small operators, let alone check them," he said.

On phasing out asbestos completely – a goal of most of the major operators in the industry – industry executives are still unsure that suitable alternatives can be found.

"A further tightening beyond 0.5 fibre/ml in the fibre limit," said Mr Llewellyn, "could effectively prevent brake lining manufacture, and we've got to have brake linings." Companies are looking into respiratory equipment which workers could wear while working with brake linings, but suitable equipment has not yet been found.

At the same time, substitute materials for brake linings are being tested and in some cases installed in new cars. But as Mr Harry Hardie, personnel director of Turner & Newall, said yesterday, "Older cars will have asbestos brake linings and these will need replacing. To put in new ones would mean redesigning brake assemblies. We can't do this for all cars. So it looks as if we'll have to make asbestos brake linings for at least 10 years if not more."

Mr Hardie also said that asbestos textiles, used in friction materials and insulation, and asbestos-cement pressure pipes, used in water distribution and sewage disposal, were currently without suitable substitutes. In T&N's other asbestos product areas, substitution currently ranges from 20 to 100 per cent of the product category.

Those within the industry will have a chance to discuss these and other problems in a new asbestos industry working group which will now report to the commission on a regular basis. This group will be made up of employers, trade union officials and members of the Health and Safety Executive.

One of the first tasks of this group will be to consider a report on the engineering equipment and innovation needed to control further the use of asbestos. This report, compiled by Mr Stephen Grant, an area director of the HSE, is to be published in the next few days.

The various topics to be pursued will be new exhaust ventilation equipment, the cleaning of plants, use of respirators and protective clothing. This group will also consider further reductions in the control *limit beyond August 1, 1984*, when the latest recommendations are to come into force.

The asbestos issue has been studied and reported on by government committees for more than 10 years. Yesterday, the commission stressed the importance of moving ahead rapidly with asbestos licensing regulations and has now agreed draft regulations for submission to the Government. Action is expected within the next few months.

Small airlines curbed

BY LYNTON McLAIN

THE BRITISH *Airports Authority* is taking action to discourage small regional airlines from starting services to Heathrow Airport, London, despite Government policy to encourage competition and improve services on UK domestic routes.

One regional operator, Genair, of Humberside, has already had its plans for 10 years of unlimited flights from Blackpool to Heathrow turned down by the Civil Aviation Authority, the air transport licensing organisation.

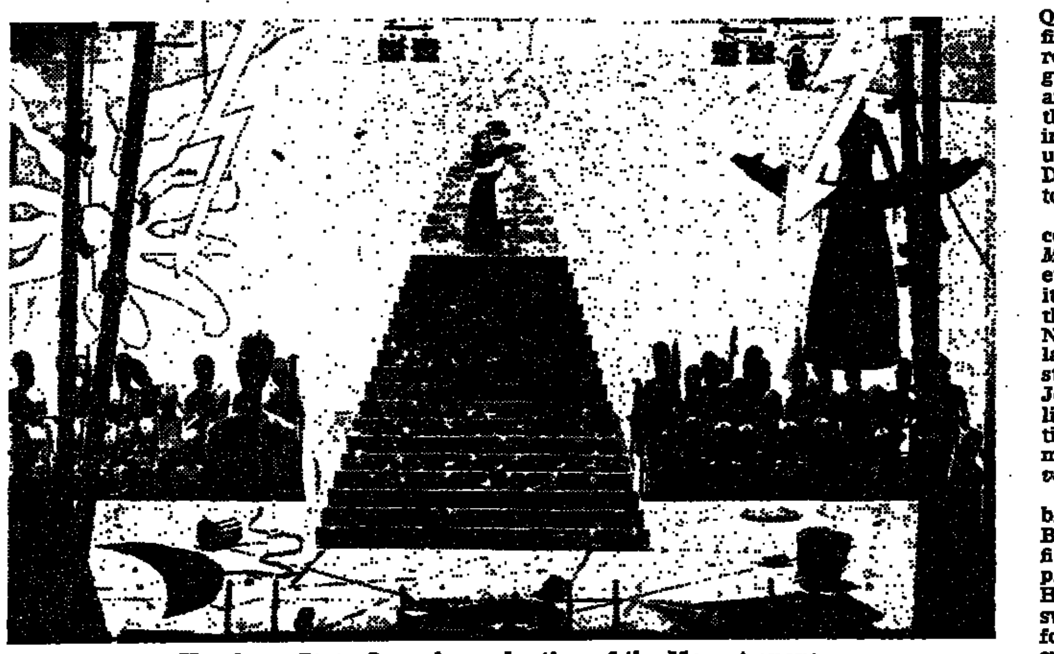
This followed objections from the BAA and British Airways. Instead, Genair was granted a licence for only two years, with two daily return flights.

The BAA also plans to "make representations" about the recent applications by Jersey European Airways for a Jersey to Heathrow service with unlimited frequency and by Dan-Air for unrestricted services between Heathrow and Manchester, Aberdeen and Inverness.

THE ARTS

Edinburgh Festival 1983

Die Zauberflöte: an exercise in innocence



Hamburg State Opera's production of the Mozart opera

There are always parents determined to believe that Mozart's *The Magic Flute* even in a foreign language and running well over three hours is a good opera for children. At the Playhouse where Achim Freyer's Hamburg State Opera production opened on Tuesday (Hamburg's Zemlinsky operas have been staged in the King's Theatre) there were the usual signs of this popular illusion —which Freyer appears to share. His designs revel tamely in the quality of an inconsequent infant imagination touched up with vaguely delinquent graffiti and the odd strip of carnival lights. His production neither subverts the opera nor enhances it, for it seems innocent of any guiding idea whatever.

Prince Tamino wears a little boy's baggy sailor-suit throughout, and at the end gets up and wanders off as if awakening from a baffling dream, while a stage double celebrates with Pamina. Papageno is a clown with a carrot nose and a single tail-feather. The priests have tall heads like marrows, without faces, and Sarastro is the same in super-scale, a huge immobile dummy with monstrous prehensile hands. (At least that made it easy for Robert Lloyd—in fine, authoritative voice—to replace the ailing Kurt Moll on the first night, since the actual singer remains invisible.) The Queen of the Night is another elongated nightmare-puppet with yards of witch's fingernails, but she is permitted to show her own face.

The modern embarrassment about Monostatos, being wicked *and* black is resolved by making him blue, and his gang are fat blue Morphs, plainly quite harmless (so the moment when Papageno evades capture by magicking them off with his bells lacked its customary thrill). Much the most pleasing inventions are the animals, less Sendak than amiable Bosch, including a row of lip-licking lions to discourage Papageno from lingering over his dinner. But the whole show looks sparse and bitty, with the stage movement so indecisive—there are many hiatuses—as to dampen the usually surefire jokes.

In the pit, or rather perched above it (the high stage-platform evidently makes conductor-singer rapport very awkward), Christoph von Dohnányi seemed scarcely more decisive about how to treat the score. There were numbers, including the overture, in which his characteristic fresh imagination struck gold, but the grave and sublime passages — most of the scene with the Armed Men, for example — were hurried, uncommitted. The Masonic music was taken up-tempo, perhaps to match the lightweight staging, though the last priestly chorus was unexpectedly powerful (the Hamburg men sound much stronger than the women).

Under the circumstances a stylish team of solo singers was urgently needed, and we only partly got that. As Pamina Helen Donath looked thoroughly bemused but game, and she offered a lovely "Ach, ich fühl's" — during which Rüdiger Wohlers' Tamino was irritatingly made to copy her gestures. Wohlers mostly sounded bright (there were frayed patches of tone) and looked hangdog. Coping bravely with his carrot, Mikael Melbye was a sympathetic Papageno; his Papagena seemed sadly out of voice. Carla del Re made a fiery star-blazing Queen, tolerably accurate, and the sound Speaker and Monostatos were Franz Ferdinand Nentwig and Norbert Orth. Three excellent boys from the Tölzer Choir were the *Knaben*, got up as if for impromptu charades.

*

Earlier in the day at the Queen's Hall, the Delmé Quartet filled in for the missing Melos, retaining the announced programme. Far from seeming anxious about the assignment, they were all too relaxed: inelegant scoops and negligently uneven pizzicati marred Debussy's quartet, inducing me to flee their Ravel.

I waited for André Caplet's conte "fantastique" on Poe's *Masque of the Red Death*, however, curious to hear whether it might seem a better piece than it did in a very svelte Nash Ensemble performance last year. Despite forceful strumming by the guest harpist John Marson, it didn't. The literary idea is roughly three times as interesting as the music, which barely rises to a *valse macabre*.

Yesterday's morning recital brought together the soprano Barbara Hendricks and that fine, under-recognised Finnish pianist Ralf Gothoni. Miss Hendricks was her familiar sweet self, natural and unforced. Poulenc's children's cycle *La courte paille* suited her perfectly, though her French was as unstable as in Debussy's Baudelaire cycle, which was delicately felt all the same. Schubert and Wolf songs, mostly on Goethe texts, went very well (she must stop singing German endings in *en* as "un"): she sang Schubert's "Ganymed" prettily, and later delivered Wolf's glowing, insinuating version with real maturity.

Gothoni gave marvellous support, particularly in shaping the longer songs. His Wolf was masterly, and to the Baudelaire songs he brought not only iridescent tints but a dandyish elegance that suited texts and music alike. I wish we heard him more often.

DAVID MURRAY

Three Choirs Festival/Gloucester

Andrew Clements

The Three Choirs is the most immutable of festivals. That is both a virtue and a vice: virtuous in that it preserves and celebrates a tradition of choral music that otherwise might vanish through neglect; less desirable in its inevitable conservatism, which encourages complacency and deadens programming.

Attending one of this year's concerts in Gloucester Cathedral was a curious, vaguely unsettling experience. So little seems to change; the faces are familiar from the concerts I went to as a schoolboy 15 years ago, audiences are still near capacity, the style of singing full-blooded and vigorous. Musically there are some innovations. There is no obligatory performance of *Elijah* anymore and this year at least less Elgar than was once the norm. Yet Vaughan Williams is as popular as ever — *Job* and the *Sea Symphony* are included — and Finzi seems to have come back into fashion. Once not too long ago, I am sure *Carmina Burana* would have been barred from the cathedral; now it is scheduled to close the festival.

Signs of new life can be found also in the proliferation of events away from the cathedral centre; Prinknash Abbey has become established as a good location for morning chamber music and there is a healthy sprinkling of fringe concerts in halls and churches around the city. Yet where new music is concerned, the Three Choirs moves slowly and cautiously. The experiment of three years ago when a morning recital in Gloucester was given over to contemporary vocal music has not been repeated, and the festival commissions this time could not be described as adventurous.

There has been a symphony from Elis Pekhonen and a choral piece from Richard Shephard is due on Friday morning; both are local composers. Charles Camilleri's organ concerto was given its first performance on Sunday by John Scott and the Royal Philharmonic Orchestra under Charles Groves. On Monday came the major choral event of the week, the premiere of Paul Patterson's *Mass of the Sea*, with the three choirs, the RPO and soloists Janet Price, Mary King, Kenneth Bowen and Christopher Keyte conducted by John Sanders the organist of Gloucester Cathedral and hence this year's "home" conductor.

Patterson's mass is an adroit, highly effective piece which was enthusiastically received. The libretto was written by Tim Rose Price, and it interweaves the ordinary of the mass with a sequence of texts drawn from the Bible that are linked by references to the sea. We begin with the Creation, pass through the Flood, jump abruptly to Christ walking on the Sea of Galilee and end with a short passage from *Revelations*: "For the first heaven and the first earth were passed away; and there was no more sea." These episodes are dispersed between sections of the mass, acting as elliptical commentary and dramatic frame.

The basic premise of the mass seems to me tenuous, but from it Patterson has contrived some colourful if derivative choral writing. There are echoes of the latter-day English choral tradition, nods towards Britten (especially), Walton (particularly in the climactic Flood episode) and Tippett, and some less sharply characterised sections, predominantly slow, that derive from the *Ave maris stella* plainsong motive that underpins the entire work. Patterson has chosen his models with care; certainly it must be great fun to sing. I still harbour the suspicion that choral societies are never happier than when making lots of noise reinforced by heavy orchestral brass; Patterson sometimes indulges them shamelessly.

Disappointment though that within the constraints Patterson could not have written something less conventional, less obviously "safe." He has however come up with a 40-minute work that will travel well and ought to garner plenty of performances from ambitious choruses, and that is no mean achievement.

Mozartiana/Covent Garden

Clement Crisp

After a summer of choreographic indignities—the plagues in Egypt were as nothing compared with the catalogue of dance misfortunes inflicted by the Houston Ballet, the Boston Ballet, the Gulbenkian Ballet, and not less than three different stagings of Kylian's crass *Symphony in D* to numb the senses — balletic truth and beauty are once more on view, thanks to the New York City Ballet.

Tuesday night's programme opened with Balanchine's sublime *Mozartiana*. Made for the Chaikovsky Festival in New York two summers ago, this is Balanchine's fourth version of the score, and his last major work. Its forces and its form are deceptively simple. A ballerina and her cavalier—Suzanne Farrell and Ib Andersen — with four female soloists, a Molièresque valet (well danced by Jock Soto) and four little girl ballet students, are the cast.

The theme, if any, seems to be the realisation of dance perfection in the performance of Miss Farrell and her partner, and it would be hard to imagine a more witty, allusive portrait of a great dancer, or a more witty, allusive and prodigiously *daring* account of the central role than Miss Farrell's.

Or indeed, in the dancing of Mr Andersen, a more witty, allusive and prodigal display of allegro bravura. But the ballet is ultimately Suzanne Farrell's, and as she flirted and played with the choreography, pointing its rhythmic and dynamic subtleties with consummate art, we knew that for its span she was the greatest dancer in the world. (*Mozartiana*, incidentally, is at its very best within the modest confines of Covent Garden's stage; its effects more concentrated than at the State Theatre in New York.)

Another happy reminder of the 1981 Chaikovsky Festival came with Jerome Robbins' *Piano Pieces*. This is a joyful suite of dances to a selection of piano solos (Jerry Zimmerman their fine advocate) for seven soloists and a corps de ballet. I reported with pleasure on its creation, and Tuesday's performance was again lustrously good. Mr Andersen was mercurially brilliant; Kyra Nichols displayed flawless technique, and a generosity and poetic warmth that irradiated her dances like sunshine; Heather Watts, Bart Cook, Sean Lavery presented their dances with liveliest skill, and the unforced clarity and musicality of Maria Calegari and Joseph Duell showed *October* from the *Seasons* suite as a brief, potent lyric. Superlative dancers, irresistible dances.

And to close the evening *Symphony in Three Movements*. Stravinsky and Balanchine speak with one voice in this masterpiece, and it needs no further comment from me, save to note that the company performance, led by Lisa Hess, Lourdes Lopez and Heather Watts, Jean-Pierre Frohlich, Bart Cook and Joseph Duell, was electric and magnificent. I do not recall the New York City Ballet ever richer in talent than it is now, or more powerful as an advocate for the classic dance as an art of the 20th century.

South Bank Summer Music

Andrew Clements

Tuesday night's Summer Music presented a delectable three-layer event which included two novelties. Originally the evening had promised the first performance of Oliver Knussen's *Märchen* for cello and chamber orchestra, but that was not to be. Instead we heard another new, or nearly new, Knussen work and also the British première of H K Gruber's *Charivari*.

A touch of Viennese charm from Gruber was a welcome opening to proceedings generally handled with a light touch by Simon Rattle and the London Sinfonietta. *Charivari* carries the subtitle "An Austrian journal for orchestra," and grew out of some incidental music Gruber wrote in 1979, in which he borrowed a motif from the *Perpetuum Mobile* by Johann Strauss the younger. In the orchestral work the motif throws out a bundle of proliferating melodic lines, refracted through a variety of keys.

It symbolises, says the composer, "that officially promoted mask of *Gemütlichkeit*" which Austria has learnt to hide behind. The tensions Gruber implies well to the surface in an episode that plunges into a very different, expressionistic Viennese world; but charm prevails and the result is a fast-moving kaleidoscope for a slick chamber orchestra, a witty curtain raiser that the Sinfonietta will want to repeat.

Knussen's *Music for a Puppet Court* proved to be a new set of reworkings of arrangements he made in 1972 of two puzzle canons by the 16th-century English composer John Lloyd. Knussen has disposed them for two antiphonal chamber orchestras each of which centres on a kind of conertante group: celesta, guitar and two flutes in one, harp and two clarinets in the other. The rest of each orchestra then amplifies or echoes music emanating from its own "nucleus."

The first and fourth of the movements present the canons relatively "straight"; the central pair strike off at tangents. The score bears a dedication to Peter Maxwell Davies, and Davies's own transcriptions of medieval and Tudor music are clearly an influence here. The sound world is, however, very much Knussen's own: glittering fugitive fragments of melody that whizz by at high speed, an ever-changing web of instrumental colours. *Music for a Puppet Court* demonstrates its composer's abilities on a tiny but hugely impressive canvas.

Space only for brief sketches of the rest of the evening, which ended with a coolly beautiful account of Ravel's *Mother Goose*, the complete ballet rather than the suite. "Cool" is also the best epithet for the pair of concertos in the centre of the programme: Emmanuel Ax's playing of Mozart's G major piano concerto K.453 was not helped by a brittle instrumental sound, while Young Uck Kim's seemed accurate but emotionally uninvolved in Berg's violin concerto, in which the leanness of the Sinfonietta strings gave a fresh and revealing muscularity to the most sumptuous Bergian textures.

British Museum trustee re-appointed

Lord Gowrie, Minister for the Arts, has re-appointed Lord Blake, to the board of trustees of the British Museum. His re-appointment is for five years.

The Killing of Mr Toad/King's Head

Martin Hoyle

Beshawled, bemittened and batty, the old woman dreams and remembers: her husband's most famous creations crowd in, superimposed on reality, until Mole takes on KG's features and Toad emerges in the likeness of her son. Kenneth Grahame's widow recalls their marriage, their child and the boy's mysterious death from decapitation on a railway line.

The British secession springs from an introverted and decayed romanticism no less than the Viennese. Its poets are Barrie, Grahame and Kipling: its aim a retreat to eternal childhood, its methods a refusal to emerge entirely from what Grahame called the golden age. Heralded by Lear and Carroll, they never succumbed completely to adulthood—both their strength and their tragedy. Bystanders could get excluded, or even hurt. "Dreams are the only dependable reality," says Grahame in David Gooderson's play, but "You can't share a dream. . . . Dreams are private."

His son Alastair, half-blind, suffered the then insensate barbarity of public school (both Rugby and Eton), persistently failed exams at Oxford and died there mysteriously. He prompted *The Wind in the Willows*, receiving the story of Toad by post (parents and seven-year-old spent holidays separately). At four he remarked to his nanny that "death is promotion," the child of parents not unloving but monstrously obtuse.

His mother, a late, spinsterish bride, nicknamed her husband "inferiority." The latter's boyish preoccupations with "seaweed, boats and company and such things" hardly fitted him for the secretaryship of the Bank of England, and he retreated from his wife's reproaches ("I married a man, not a yacht club") into a private world where even his son could not follow.

Alastair Muir

Deborah Norton

Mr Gooderson puts the Grahames' marriage firmly in a cultural context: she knew Swinburne, Tenniel and Wilde, though the wooing was conducted, ominously, in baby-talk. The wretched Alastair was caught between dotingly ambitious mother and inadequate father. His death was probably suicide.

The pathetic story unfolds in a mixture of fact and fantasy, switching from past to present. Occasionally modern comment seems to obtrude, and there is little point in adapting already existing songs without the rhymes that conform to the original style; but nothing detracts from a haunting evening.

Rupert Graves's doomed boy moves by his unmawkish cheerfulness (the writer never quite convinces that he really was Toad-like). Deborah Norton's modern, throwaway technique tends to undercut the stylisation of Peter Watson's production, but fascinatingly underlines the distance between parents and children and the frustrated love that can take fruitful or terrible forms. "Without such a listener there never would have been such a story" is small comfort, even if the story is *The Wind in the Willows*.

Günter Wand/Albert Hall

Max Loppert

The second of this Prom season's senior German conductors to exercise a benign influence on the BBC Symphony was the orchestra's chief guest, Günter Wand. The programme of Tuesday's concert was perhaps not ideally calculated to take advantage of his special gifts—a first half composed of the Mozart *Posthorn* Serenade is, on a humid summer evening, an excuse for inattention that not even this light-fingered account could wholly counter. (The audience enjoyed the good joke of the posthorn solo, and the wind-consort charms of earlier movements had been most delicately touched in; but there is a lot of euphonious formula-writing to get through as well.)

In the Brahms First Symphony, however it became clear that Mr Wand has won the orchestra's confidence and that his grasp of symphonic argument exerts a precise authority. The music did not flow with the natural lyrical radiance that had marked Rafael Kubelik's unforgettable Brahms symphony performances with the LSO in June: but the peculiar gait of the work's opening and its troubled restless spirit were rendered in playing of effortlessly exact and idiomatic balance.

There was indeed a sense of rightness about the whole reading; even what might be called its single quirk—the conductor's habit in the main body of the final *Allegro* of suddenly putting on speed where the score calls only for *animato*—made its own kind of sense in the actual experience. The BBC Symphony *sounded* like a Brahms orchestra: praise indeed and of an unfamiliar kind.

'Birds of Passage' at Hampstead

Birds of Passage, a new play by Hanif Kureishi, will open at Hampstead Theatre on Thursday September 15 with previews from Thursday September 8.

In the cast are Jean Boht, Rowena Cooper, Joe Melia, Neil Pearson, Raad Rawi, Belinda Sinclair and Roger Sloman.

The play, directed by Howard Davies, designed by Sue Plummer with lighting by Gerry Jenkinson, is a comedy set in suburban South London on the edge of a large council estate and concerns a Pakistani student who goes to stay with an English family and his effect on them.

Young stays on with BBC

Jimmy Young, the Radio Two broadcaster, yesterday signed an exclusive three year radio contract with the BBC

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

August 19–25

PARIS

Neapolitan Paintings from Caravaggio to Giordano. After London and Washington, the present version of the exhibition stresses the diversity of the 17th century artistic scene in Naples, where Caravaggio's two successive stays enriched and transformed the pictorial vision of the time. Grand Palais, Closed Tue. Ends Aug 29 (2615410).

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24th. Louvre, Pavillon de Flore (2603926).

Magritte and the Advertisers. An exhibition which could also be called "a la manière de..." because – apart from some of Magritte's own creations – so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Paradis. 12 am to 6 pm, closed Tue, ends Sept 11.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Heidelberg, Heidelberger Schloss, Ottheinrichsbau: Egypt Through 5,000 Years has 305 statues, reliefs and vessels found in burial sites and temples giving an insight into the cultural and religious life of the people on the Nile. Ends Aug 28.

Brunswick, Kunstverein, 12 Lessingplatz: Paintings, drawings, sculpture and objects by some of West Germany's most renowned arts professors – among them Christians Moebus and Ben Willikens. Ends Aug 28.

Hamburg, Interverse, 39 Esplanade: 25 artists from Hamburg – among them Horst Janssen, Franz Erhard Walther and Paul Wunderlich – are showing 86 drawings from the last three years. Ends Aug 26.

Frankfurt, Kunstverein, 44 Markt: The first big exhibition of Markus Rätz with roughly 100 installations and drawings by the Swiss painters and object artist. Ends Sept 25.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: the "Great Arts Exhibition – Munich 1983" has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 18.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures at the occasion of Martin Luther, the great reformer's 500th birthday. Ends Sept 25.

ITALY

Venice, Cantieri Navala all a Giudecca. Works by Burri. Ends Sept 30.

NEW YORK

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

WASHINGTON

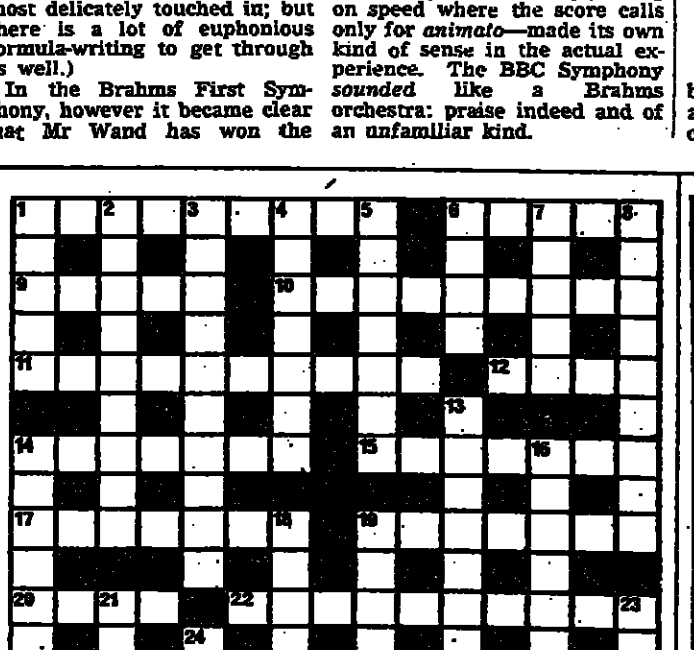
National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Allerd Pierson Museum, Amsterdam: Artistic fakes, including paintings, sculpture and porcelain, brought together by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

F.T. CROSSWORD PUZZLE No. 5,200



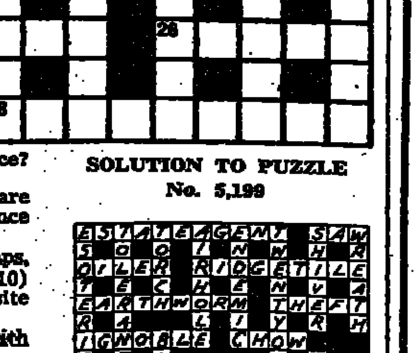
ACROSS

1 The wife a sweet girl? She's wooden, but her joints are a speciality (5, 4).
6 Fathom, it is true (5)
9 Molto piu mosso? Something in that, but you would not be if you take it (5)
10 Dad, losing tail, could be dead, stupid! (3-6)
11 With the disposition of the pig, calm? (10)
12 Hunt for Danny La Rue? (4)
14 Fast bowler goes to court covered in cooking fat (7)
15 Table centre made by Peg and Rene (7)
17 Maximum speed at sea? Could be a bit hairy! (3-4)
19, 20 Design for card, directions included: bring about a flower (7, 4)
22 Towards men, possibly, and towards mouth (10)
25 Stray piece of foliage in a notebook (5-4)
26 God's blood! What has got into the harpsichord? (5)
27 Rustic in bondage to the left? (5)
28 Youth Hostel put girl in trouble — honestly! (9)

DOWN

1 Doctor on round has work to decline (5)
2 Stumble upon legal case: it should test a vessel (5, 4)
3 One's own flour could be an advantage at sport (4, 6)
4 Casual worker not working? (3-4)
5 I let cat out of window (7)
6 Look like Tom? (4)
7 Not so much as in a trance? (5)
8 How good students are rewarded, not all at once (2, 7)
13 Making allowances, perhaps, often applied to weather (10)
14 Recent recovery on the site (9)
16 Sporadic fire, possibly—with pips? (9)
18 American writer, Norse god, and French water (7)
19 Fircone maker (7)
21 Strain for soup? (5)
23, 24 Happy unhappiness, played where there's a row? (5, 4)

SOLUTION TO PUZZLE No. 5,199



ıucester

Galilee and end with a passage from Revelation the first heaven and the earth were passed away there was no more sea" episodes are dispersed sections of the mass, elliptical commentary dramatic frame.

The basic premise of seems to me tenuous, but it Patterson has contrived colourful if derivative writing. There are the latter-day English tradition, nods towards (especially), Walton larly in the climactic episode) and Tippett, less sharply characterised tions, predominantly derive from the Ave plainsong motive that the entire work. Patterson chosen his models certainly it must be great sing. I still harbour cion that choral societies never happier than making lots of noise by heavy orchestral terson sometimes indulges shamelessly.

Disappointment though within the constraints could not have written thing less conventional obviously "safe." He ever come up with a work that will travel ought to garner plenty formances from choruses, and that is achievement.

ırden

creation, and Tuesday's formance was again good. Mr Andersen curially brilliant; Kyra displayed flawless and a generosity warmth that dances like sunshine Watts, Bart Cook, presented their livelist skill, and the clarity and musicality Calegari and Joseph showed October Seasons suite as a lyric. Superlative irresistible dances.

And to close the Symphony in Three Stravinsky and speak with one masterpiece, and it further comment to note that the formance, led by Lourdes Lopez and Watts, Jean-Pierre Bart Cook and Joseph was electric and do not recall the New Ballet ever richer it is now, or more an advocate for the as an art of the 20th

'Birds of Passage' at Hampstead

Birds of Passage, by Hanif Kureishi, Hampstead Theatre day September 15 from Thursday September. In the cast are Rowena Cooper, Joe Pearson, Raad Rawi, Sinclair and Roger The play, directed Davies, designed Plummer with lighting Jenkinson, is a suburban South London edge of a large and concerns a student who goes an English family on them.

Young stays with BBC

Jimmy Young, the broadcaster, yesterday an exclusive three contract with the

AGRICULTURAL TRADE

Why the Americans are furious with Europe

By John Edwards in London and Nancy Dunne in Washington

A CRITICAL stage has been reached in the looming agricultural trade war between the U.S. and the European Community. In theory the EEC Commission's recent proposals to reform the Common Agricultural Policy should have helped cool the situation.

In a preamble to the plan the Commission repeated much of what the Americans have been saying should be done: that agriculture should accept market disciplines like any other industry and the accent should be placed more and more on production at competitive prices.

But the plan has incensed the Americans who have lodged a formal protest against the plan with the Commission.

The U.S. is infuriated by the Commission's proposals, as part of the reform package, to introduce a tax on consumption of edible oils and fats, other than butter, and put limits on imports of maize gluten feed. This is viewed in Washington as a further blow aimed at cutting U.S. exports to Europe and indirectly making the American farmer pay even more towards the cost of supporting EEC agriculture.

"There is nothing else the Community could do to prompt a stronger U.S. response," the U.S. Department of Agriculture said in Washington recently.

Already the Administration has backed complaints to Gatt (the General Agreement on Tariffs and Trade) about the EEC behaviour over sugar, pasta, raisins and canned fruit. The Community in its turn has complained about the U.S. sale of subsidised flour, and more recently dairy products, to Egypt.

However, with the talks between the Community and the EEC on avoiding an all-out farm trade war making very slow progress, the Administration is coming under strong pressure to take much more positive action. With a presidential election year looming, the crucial farm vote cannot be ignored. But Mr John Block, the U.S. Secretary for Agriculture, appears to be in deep trouble.

His bold payment-in-kind (PIK) programme to reduce the massive surplus agricultural stocks, by transferring them to farmers who reduce plantings, may well blow up in his face. Acceptance of the PIK programme by farmers exceeded even Mr Block's most optimistic hopes at the time. But the summer heat wave has severely affected the cotton, grain and soyabean crops.

Maize output is expected to sink to its lowest level since 1974. While the resulting higher prices are good news for farmers retail food costs are expected to shoot up with the Reagan Administration taking the blame.

At the same time the Administration is presiding over the most expensive farm support programme ever. It is estimated that in the 1983 fiscal year the cost of agricultural support alone will soar to $21bn against $12bn the previous year.

So the Administration is getting the worst of both worlds. Rising retail prices and soaring support costs for agriculture.

At the same time farmers remain intensely resentful about alleged "unfair" competition from the EEC.

Sir Roy Denman, head of the delegation of the Commission of European communities in Washington, likes to point out that the Community is the best regional customer for U.S. agriculture goods. Indeed, only the desire to protect that $8.2bn market has restrained Congress, particularly the House, from taking major retaliatory actions against EEC export subsidies.

However, the Commission proposals jeopardise more than half the market's value. Last year the EEC spent $748m for American maize, $2.8bn for soyabeans and $891 for soyabean meal.

The most likely candidate for retaliation is the U.S. dairy mountain, which could be dumped on the open market and, says Mr Joseph Zak, division manager of the American Soyabean Association, "could cripple the Community overnight."

U.S. poultry and egg producers, who contend that the EEC has been stealing their markets in the Middle East through the use of subsidies, have generated wide support in the Congress as "the next best target in order to gain the attention of our trading partners."

Approval of the EEC proposals could well dislodge legislation awaiting action in Congress. One Bill would provide $300m in the next two years to subsidise farm exports. Another requires the Government to sell a portion of its dairy surplus in the next three years with half the proceeds going for "export enhancement" programmes.

The Senate has already passed an amendment to the IMF Bill requiring the U.S. director to oppose loans to countries found to use predatory subsidy practices unless the borrowing country agrees to phase out its subsidies.

The seemingly endless negotiations between the U.S. and the Community, designed to cool the situation down, have so far produced little ammunition for Mr Block to fire back at his critics. According to Mr Block, the EEC has co-operated already in agreeing to stockpile more surplus grain and he is hopeful some deal may be worked out on dairy products, whereby both sides would agree not to indulge in cut-price sales.

A working group has been formed to define and clarify Gatt rules governing subsidies and other forms of export assistance. But the latest threat against U.S. products in the reform plan for the Common Agricultural Policy may well undo all the progress made.

The reduced harvests in the U.S. and Europe this year may well relieve some of the pressure in the grain sector. However, the Administration needs to obtain some solid concessions from the EEC if an escalation of the trade war is to be avoided.

The instant opposition to the reform proposals from farming interests within the Community may confirm the U.S. suspicion that the whole exercise is a ploy by the Commission to force member countries to increase their budget contributions rather than tackle the fundamental problems. Perhaps the only proposals to survive will be the moves which will curb imports of U.S. supplies, since these do not harm any national agricultural interests.

With feelings building up in Congress and among U.S. agricultural voters, the Administration cannot, as Mr Block put it earlier this year, "just sit back and yawn."

The main crux of the whole argument is export subsidies. The U.S. claims that it has no objection whatever if the EEC taxpayer is prepared to put up with financing a highly costly agricultural support programme for political or social reasons.

What it does object to is the use of export subsidies to distort and disrupt world markets. If these continue, the U.S. claims it may be forced to retaliate—the cut price sale of flour and dairy products to Egypt are viewed as merely a warning shot across the bows.

Mr Block has been busy drumming up support from other countries to condemn the EEC export subsidy system. But it is an essential part of the Common Agricultural Policy and there is nothing in the proposed reform plan, even in its present form, to suggest any radical changes will be made in the system. The aim is to reduce the surpluses, but that seems unlikely to happen in practice. Both sides desperately want to avoid an escalation of the trade war.

The Common Agricultural Policy is teetering on the edge of bankruptcy and could easily be pushed over the brink. The Americans are financially harassed, too, and anxious for political reasons not to upset the Community. But pressures are building up in Congress and the plan to restrict U.S. agricultural exports still further to the EEC may well be the last straw.

ESTIMATES OF U.S. AGRICULTURAL SUPPORT

($bn)

FARMER ASSISTANCE PROGRAMMES	1983	1984
Price support and related programmes, including PIK	24.0	17.2
Farm-related loans	4.4	4.1

Gut feeling down on the farm

When I recently visited farms and agricultural organisations in the U.S. it soon became apparent that there is a great deal of confusion and misunderstanding about the EEC farm policy. But the American farmer has the gut feeling that somehow he is losing out badly and is fighting unfair competition.

Forget the U.S. agriculture receives massive financial support from the Government. Forget that the American dairy and sugar industries are bolstered by the similar kind of generous support lavished on their European counterparts. Or that meat imports are restricted by quotas.

The American farmer fervently believes in the free market philosophy, where everyone is supposed to compete on equal terms and the most efficient producer wins the day. In most cases the U.S. farmer is the most efficient producer. For a start there is the sheer size of the American farms which dwarf anything that can be seen in Europe. Farms are not split up into small separately owned plots, as is so common in Europe.

In Montana, one of the big ranches covers 80,000 acres and the owner talks casually of his neighbour 100 miles away down the road. Over the past decade the number of farms in the U.S. has fallen to below 2m compared with some 8m in the Community.

Alternatively, the smaller farms are very highly mechanised and capital intensive, often with their own storage facilities and heavy use of fertilisers and crop protection chemicals to boost yields. They sell their produce to farmer-owned co-operatives, who have highly efficient processing plants, backed up by aggressive marketing services to promote sales in both the domestic and export markets. The U.S. farmer is not a humble peasant. In most cases he is a highly market-orientated individual, who bitterly resents finding himself shut out of markets.

The basic problem is that the huge expansion of U.S. agriculture during the 1960s and 1970s, as a result of support policies not dissimilar to the present EEC common agricultural system, has made an increasing number of American farmers dependent on export markets. It is estimated that one out of every three acres planted is devoted to international trade.

The farmer was encouraged to believe that he was helping to feed the world and that with a large proportion of the world population at starvation level there would always be a ready market for his produce. Unfortunately things don't work that way and instead U.S. agriculture finds itself being increasingly hemmed in. The main villain of the piece is seen as the EEC, where the Common Agricultural Policy is portrayed as keeping inefficient farmers in the lap of luxury with the willing help of docile consumers and taxpayers.

It is often not appreciated just how important agriculture is to the U.S. In testimony to the joint economic committee Mr Block claimed that agriculture is the country's largest industry, accounting for about 20 per cent of the entire gross national product.

He noted that agriculture showed a favourable trade balance of nearly $24bn in the 1982 fiscal year, helping to compensate for deficits in industrial trade.

But, he also noted, that government outlays are now nearly equal to net farm income. The Government could not afford to continue operating a farm programme with an incentive to overproduce. The Reagan Administration is keen to reduce support for agriculture, without, if possible, putting the important farm vote at risk. The suspicion is that it may well be using the EEC agricultural policy, with all its obvious absurdities, as the scapegoat for introducing some harsh measures.

JOHN EDWARDS

U.S. EXPORTS

(Maize and maize gluten feed)

(Million metric tons)

	Corn	Maize Gluten Feed†	Total
1972	7.096	0.692	7.788
1973	10.305	0.779	11.084
1974	9.547	0.700	10.247
1975	11.715	0.930	12.645
1976	15.783	1.147	16.930
1977	14.304	1.485	15.789
1978	10.621	1.684	12.305
1979	9.320	2.019	11.339
1980	9.150	2.589	11.739
1981	8.300	2.838	11.138
1982 (Jan-Nov)	5.375	2.560	7.935

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
3rd qtr.	102.5	88.3	84	108.9	150.7	2,837	111
4th qtr.	102.3	87.4	89	110.7	184.5	2,913	115
December	103.1	87.7	88	112.2	215.5	2,949	118
1983							
1st qtr.	103.6	89.4	88	111.1	153.1	3,003	124
2nd qtr.	103.7	89.3		113.6	158.7	2,987	135
January	103.0	90.0	86	110.1	154.7	2,983	122
February	104.4	89.3	96	111.1	148.9	3,001	124
March	103.5	89.0	82	111.9	155.1	3,026	126
April	104.0	89.1	93	112.9	157.8	3,021	134
May	104.5	89.9	88	113.7	159.1	2,970	131
June	102.7	88.9		114.0	159.1	2,970	139
July				113.5		2,963	153

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100): housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	91.4	91.2	122.6	86.3	72.5	71.4	17.1
4th qtr.	92.4	89.6	122.0	85.5	69.3	71.5	15.1
December	94.0	89.0	124.0	86.0	69.0	73.0	12.1
1983							
1st qtr.	93.1	91.0	125.3	86.1	75.3	71.7	17.9
2nd qtr.	93.4	89.9	125.1	85.8	77.9	72.2	19.7
January	93.0	91.0	123.0	86.0	78.0	72.0	15.6
February	93.0	91.0	127.0	87.0	74.0	71.0	17.9
March	93.0	91.0	125.0	86.0	73.0	73.0	20.0
April	93.0	90.0	126.0	85.0	79.0	71.0	17.6
May	94.0	90.0	127.0	87.0	80.0	73.0	18.6
June	93.0	90.0	123.0	86.0	75.0	72.0	22.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
3rd qtr.	125.1	123.7	+609	+976	+1,313	100.5	18.3
4th qtr.	131.4	124.0	+1,262	+1,790	+1,736	99.3	17.0
December	135.0	123.8	+508	+684	+692	99.7	17.0
1983							
1st qtr.	130.0	131.7	−231	+445	+1,764	98.4	17.34
2nd qtr.	127.5	133.4	−789	−39	+1,456	99.8	17.71
January	121.1	133.7	−482	−257	+529	98.6	16.85
February	130.2	134.2	−133	+92	+613	98.6	16.58
March	138.8	127.1	+384	+610	+622	98.0	17.34
April	124.7	132.8	−360	−110	+474	98.5	17.66
May	125.0	135.6	−552	−302	+410	100.0	17.92
June	132.7	131.8	+123	+373	+571	100.9	17.71
July							17.94

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m): building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
3rd qtr.	15.6	9.1	28.3	+4,738	1,796	2,396	10.50
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,548	10.13
November	14.6	12.0	25.4	+1,046	763	866	10.13
December	14.9	8.8	23.2	+730	490	874	10.13
1983							
1st qtr.	9.5	8.1	16.6	+4,456	1,174	2,579	10.50
2nd qtr.	15.3	14.6	15.0	+5,025	1,071	2,597	9.50
January	7.2	6.8	6.7	+1,099	391	879	11.00
February	10.6	7.6	13.1	−1,309	386	818	11.00
March	10.7	10.6	11.9	+2,048	397	882	10.50
April	12.1	13.7	13.6	+2,010	433	812	10.00
May	15.8	13.5	12.8	+1,071	319	885	10.00
June	18.1	16.5	18.5	+1,944	319	900	9.50
July	14.0	12.5	21.5	+776	739		9.50

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100): trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
3rd qtr.	227.8	115.4	118.7	323.0	297.0	228.88	91.5
4th qtr.	231.3	119.4	120.1	325.4	298.5	238.84	89.1
December	233.8	122.8	120.6	325.5	300.1	238.84	85.4
1983							
1st qtr.	235.9	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	240.8	123.7	124.2	333.7	306.3	272.89	84.3
January	232.4	124.1	121.2	325.9	301.8	255.45	81.9
February	231.1	125.4	121.7	327.3	302.1	256.25	80.7
March	238.2	124.2	122.4	327.9	302.4	277.29	79.1
April	237.7	123.1	123.6	332.5	304.6	274.56	82.8
May	241.1	123.8	124.3	333.9	305.6	267.61	84.9
June	243.5	124.0	124.6	334.7	308.8	272.89	85.2
July		123.2	124.8	336.5	308.7	282.26	84.8

* Not seasonally adjusted.

INTERNATIONAL COMPANIES and FINANCE

Kenneth Gooding explains why U.S. automobile manufacturers are more optimistic about their long-term future

Detroit faces up to the technological challenge

"THE U.S. automobile industry has now lifted itself out of the longest and most damaging recession in its history. The industry is back in the black," says Ford's chairman Philip Caldwell.

That sums up sentiment in Detroit. But there is no mood of euphoria. Shell-shocked after three years of almost continuous bad news, the car manufacturers are concerned *that the present boom could* evaporate overnight.

Interest rates in the U.S. remain uncertain and any rise could have a dire effect on consumer confidence and in turn on the car market.

Perhaps more importantly, some Americans are concerned about their motor industry's long-term future. Is the present apparent revival merely a temporary respite from the inevitable downward spiral?

Caldwell is foremost among the industry executives busily refuting such ideas. "The U.S. automobile industry is often included in the group of industries disparagingly labelled 'smokestack' or 'sunset' industries," he says. "The implication is that the industry will decline because of its failure to enter the new technology era.

"Such thinking is at best a complete misreading, or worse still, a display of ignorance of what is occurring in America today."

Caldwell ticks off the evidence: The auto industry is the biggest user of industrial robots, the leader in computer-aided design, computer-aided manufacture.

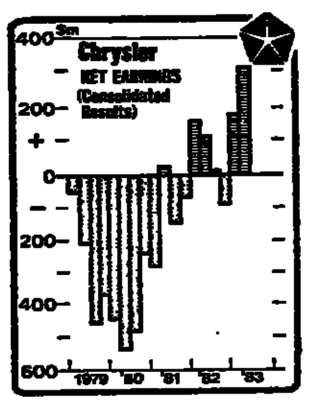
The "big four"—General Motors, Ford, Chrysler and American Motors—in the U.S. spent $4.3bn on research and development in 1982 compared with $2.5bn spent by the aerospace industry and $1.4bn by the electronics industry.

"What industry leads in human relations and employee involvement? The automobile industry of course," Caldwell insists.

Ford has shifted from an "adversarial" approach to one of "partnership" under the terms of a wide-ranging deal with the union, the UAW, last year. According to Robert Lutz, a vice president, the results were immediate. "Absenteeism dropped from 5 to 2 per cent and quality has taken spectacular strides."

General Motors has shifted the employee-relations emphasis in a similar direction. Chairman Roger Smith claims: "The whole attitude in our plants has changed. People are proud of the quality and the cost improvements. We got people involved in the job."

Quality is a subjective thing: but the industry's productivity gains are measurable. According to the Bureau of Labour



Statistics, while productivity measured *by output per* employee hour declined in more than half the U.S. industries monitored last year, the motor industry showed a gain of 5.7 per cent. The decline in vehicle output of 6.5 per cent was more than offset by a decline in employee hours of 11.5 per cent.

It says something for the new approach to employee relations that this could have been achieved in spite of the savage cuts which were a necessary part of the drive for productivity.

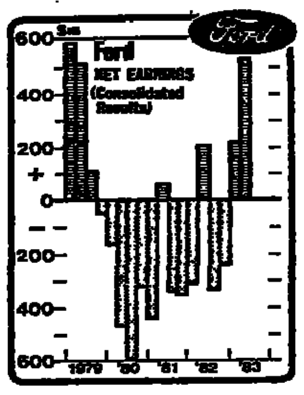
Direct employment in the industry was reduced from more than 1m in 1978 to 685,000 last year.

As a result, the level of output at which the major manufacturers break even is estimated to have been reduced from 5.6m units to 4.3m for GM, from 4.2m to 2.6m for Ford (the company says it is now profitable at 65 per cent of capacity) and 2.4m to 1.1m for Chrysler.

Hand in hand with the cuts in the workforce has gone a massive investment programme. By 1985 the U.S. industry will have rebuilt, re-equipped or re-tooled 47 engine and transmission facilities and 89 assembly plants. When the conversion is complete, few machine tools or parts will remain unchanged in the industry's 255 domestic plants and the facilities of its 5,000 suppliers.

The total cost will be $80bn which Ford's Caldwell points out is equivalent to the cost in today's dollars of the Marshall Plan "which put Western Europe back on its feet following the destruction of its industries in World War II."

The other element in the industry's radical new approach is the treatment of the component suppliers who on average contribute about 60 per cent to a car's total cost.



Following the Japanese example, the carmakers want to switch to "just in time" (JIT) manufacturing based on the Kanban system which aims to keep stock at the absolute minimum.

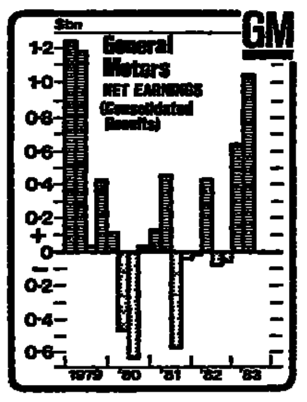
So far many suppliers are sceptical about JIT which they believe works smoothly in Japan only because the component plants are so close to the vehicle assembly facilities. They also suspect the carmakers' motives.

Bud Chicoine, Ford's vice president, purchasing and supply, tackles the most contentious issue when he says: "JIT is not a scheme to force inventory back to the suppliers. It does not fulfil its ultimate potential unless it is effective through a total system."

The assemblers have only themselves to blame if the suppliers distrust them. GM's Smith admits that assemblers in the past "perhaps looked too much at the cost of a component and set suppliers against one another to the detriment of the whole industry. But the last thing we want is suppliers teetering on the brink, competing with one another on cost."

In future, he promises, GM will take suppliers more into its confidence—the word "partnership" comes into use again. To make the investment in the new high-technology components worthwhile, there will be much more single-sourcing than in the past.

It will take time before the arguments about JIT can be



resolved and even longer before any benefits will flow.

The union has already indicated that it wants to claw back some of the concessions it gave in the recession now that the industry's finances are in better shape.

The UAW reckons it saved the companies nearly $4bn by giving up 3 per cent pay rises to 1984 and deferring cost of living increases for nine months as well as nine days holiday a year.

Another disturbing factor for companies looking at long-term planning is that nobody seems *to have a very clear idea of* the way the various car market segments—small, mid-sized and large—will develop.

The switch in favour of large cars is attributable to the fall in petrol prices. In the middle of last year large cars accounted for only 19 per cent of total new car sales, now they have 27 per cent. Over the same period the percentage of small cars, what the Americans call sub-compacts, has fallen from 53 to 38.

All this is good for this year's profits — one authoritative estimate suggests that Detroit can make $6,000 on a large, luxury car but this drops to only $1,700 on small ones—but if the trend is not reversed the manufacturers will have wasted some of the billions spent on the new "downsized" models.

Chrysler seems particularly vulnerable to the "threat of the large car" and chairman Lee Iacocca has loudly declared that the Government should take some action to make sure petrol is priced "more realistically."

However, the factor which might ultimately cause the contraction of the U.S. motor industry, which some observers believe ultimately must happen, is that the Japanese are still setting the standard for car prices by landing small cars in the U.S. at $2,000 under American cost.

As a result, GM says it cannot build small cars profitably in the U.S. at the moment and must therefore turn to the Japanese as an interim measure.

GM will import 200,000 cars a year from its 34 per cent-owned associate Isuzu and a further 100,000 very small cars from Suzuki in which it has a 5 per cent shareholding.

If it can get government approval for a joint venture with Toyota of Japan, that should produce 200,000 to 300,000 part-Japanese, part-American cars a year.

At Ford Walter Hayes, a vice-president, insists that "We think it would be quite wrong at this stage to surrender small car production to the Japanese. Certainly small cars are not profitable but Ford is not losing money on them."

GM's rivals are up in arms about the proposed deal with Toyota, Japan's largest automotive group, a deal which in the past they feel would almost certainly have run foul of the U.S. stringent anti-monopoly legislation.

Ford and Chrysler at various official hearings about the proposed joint venture have claimed it would be a clear violation of the anti-trust laws.

The UAW is very worried about "offshore" sourcing for the U.S. market, not only of cars but also of key components such as engines. GM Ford and Chrysler are all preparing their subsidiaries in Brazil and Mexico as major suppliers to the U.S. and Renault recently announced it would build a new car engine plant in Mexico to supply American Motors' facilities in the States. Renault has a 46 per cent shareholding and management control of American Motors.

The UAW has sponsored a Bill which would limit the import content in U.S.-assembled vehicles. The Bill has been making relatively good progress through the tortuous U.S. legislative system.

It is by no means certain that the content Bill will be enacted, however, and in the meantime the Japanese are being constrained in the U.S. car market by a quota system which has held shipments at 1.68m a year since 1980.

Sparring over a continuation of quotas for a fourth year has already begun. Ford's Caldwell points out that if the Japanese wait until the last moment next spring they will run into the election period. "So it is highly desirable that the Japanese should decide on a fourth-year quota soon."

The Japanese are unlikely to be rushed by such tactics. If the car market continues to improve, the need for the quota—introduced in the first place to give the U.S. industry room to recover—will disappear.

However, although the present boom seems likely to produce record profits for the U.S. groups and possibly a record American new car market next year or in 1985, few forecasters expect car production to return to the peak of 9m reached in 1978.

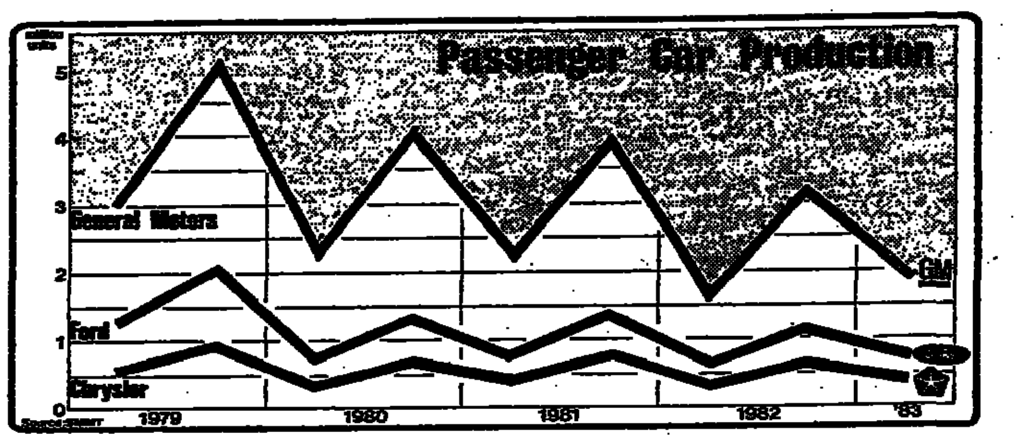
Imports now take nearly 30 per cent of the market against only 18 per cent in 1978 with most of the growth going to the Japanese who account for nearly one quarter of total U.S. new car sales.

Nobody in Detroit seems to believe that the Japanese penetration will be pushed back significantly, particularly now that GM is to contribute to the total with "capital" imports of cars from its Japanese associates.

MORE SMILES ON THE ASSEMBLY LINE

There has been no shortage of sunny news for the industry to bask in. To take a random selection:

- In the second quarter of 1983 the "big three" (General Motors, Ford and Chrysler) earned a combined $1.9bn, a record and up by *117 per cent from the $872m* for the same period last year.
- The total included $310m from Chrysler—the group's best ever quarterly result. Chrysler said it will pay back the remaining $800m of government-guaranteed debt and therefore get the Federal authorities off its corporate back.
- Ford announced it will start paying dividends again for the first time since 1981.
- The number of employees on indefinite lay off from the auto plants is at its lowest level since November 1981 at 190,300. In November 1981 the total was 181,409.
- At the end of July car sales were running at an annual rate of 6.9m or up 23 per cent on the rate (5.6m) at the same time last year. Some commentators suggest sales will reach 9m to 9.2m this year against 7.75m in 1982.
- Even Volkswagen of America, the most recent arrival on *the U.S. production scene* and one that has suffered a traumatic decline in output—down 55 per cent to 92,157 cars last year—returned to profitability in the first half of 1983.



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A change for Namibia

THE VISIT to South Africa of the UN Secretary General, Mr Perez de Cuellar, in search of a resolution to the protracted dispute over Namibia (South-West Africa) comes at a time when the need for a settlement is more pressing than ever.

The cost in lives and resources for all three countries involved — South Africa, Namibia and Angola — is steadily climbing. It is a dispute which seldom reaches prominence but contains the ingredients for wider conflict drawing in the region as a whole and containing the threat of yet another battleground between the proxies of east and west.

Mr de Cuellar's visit does not signal a new initiative. It follows a UN Security Council directive last May requiring him to report back on efforts to resolve the dispute by August 31. The directive was a product of growing impatience—particularly on the part of the six front-line African states—over the failure of the five-member western contact group to bring about the implementation of UN Resolution 435.

This sets out the terms for a UN-supervised ceasefire in the 16-year-old war between South African troops and guerrillas of the South-West Africa People's Organisation (Swapo). The ceasefire would be followed by elections and a new assembly would draw up Namibia's independence constitution.

The parties to the dispute have, but for minor details, agreed to the plan. The news yesterday that Pretoria has reached agreement on the practicalities is encouraging but does not in itself represent a breakthrough. As Mr de Cuellar made clear, the dispute remains bedevilled by an issue which is outside his immediate mandate.

South Africa, supported by the U.S., is demanding the withdrawal of the 20,000 to 30,000 Cuban troops in Angola, where Swapo guerrillas are based, as an integral part of the settlement procedure. The departure of South African troops from Namibia, as envisaged in Resolution 435, must be matched by the pull-out of the Cubans from Angola, says Pretoria.

For its part the Angolan Government has declared that the Cubans have a legitimate role. They were invited into Angola during the 1975 civil war when South African forces intervened on the side of Unita, the guerrilla movement led by Dr Jonas Savimbi. It is the right of a sovereign state, argues Angola, to invite outside support. The need will fall away only when there is peace in Namibia and South Africa has ceased its support for Unita and withdrawn its troops not only from Namibia but from positions deep inside southern Angola.

In principle Angola may be right to resist "linkage," as it is termed. But in terms of the region's Realpolitik the Cuban presence in Angola is an inextricable part of a Namibian settlement.

Recent events, however, have contributed to Angola's sense of insecurity. There is evidence of a renewed Unita push from the south in which the key town of Cangamba has fallen to rebel forces. From Luanda's perspective the need for a Cuban presence, playing a support role as well as providing a "trip wire" which Pretoria may be reluctant to cross, is as great as ever.

Referendum

Meanwhile, from Pretoria the signals are mixed. South Africa's Foreign Minister, Mr Pik Botha, made it clear that the Cuban presence remained a major obstacle to a Namibia settlement. Whether this represents a genuine fear of Soviet expansionism in southern Africa or an excuse for heel-dragging on Namibia is unclear.

Because of domestic political difficulties neither he nor his Prime Minister, Mr P. W. Botha, may wish to pursue a settlement wholeheartedly.

The Prime Minister faces a critical referendum in November on proposals for constitutional reform, rejected by the right wing of his electorate as offering too much (constituent assemblies for Coloureds and Indians) and by moderates for giving too little (no representation for the black majority).

Any change of stance on Namibia which leads to UN-supervised elections, almost certain to be won by Swapo, would fuel the right-wing sentiment in South African politics. Swapo's probable victory is made even more likely by the disarray of the so-called internal parties in Namibia.

Yet if Pretoria genuinely wants a settlement it is now within reach. The conditions exist for the mutual withdrawal of forces which satisfies the concerns of both South Africa and Angola. The western contact group must make renewed efforts to bring this final phase of the negotiating process to an end.

Monopoly in mortgages

THE BENEFITS bestowed upon house buyers in the wake of the recent competitive skirmish between the banks and the building societies are proving to be extremely fragile. The rapid return of building society differential mortgage rates — hastily abandoned by most big societies when the clearing banks threatened to race away with the market for new loans — is not only a fresh source of confusion for borrowers; it signals the end of a brief period in which they appeared to have the upper hand.

In deciding to provide credit for house purchase as a device to secure a larger share of the all-important personal deposits market, the banks took on the societies at their own game and, for a while, gave them something to worry about.

Complacency

Along with the cash, handed out in a way which only served to underline the societies' monopolistic complacency, came promises of a long-standing commitment to the house mortgage market. The societies spoke of the stimulus from fair competition and talked headily of a permanent end to the mortgage queue.

But the banks' "long-standing" involvement dissolved (other than in the shape of forthcoming loan repayments over uncomfortably long periods) as interest rates fell and the societies were left to cope with demand which had been inflated by the banks' little fling.

There are those who say that the summer increase in mortgage rates was unnecessarily high and suggest that it would have been lower if the banks had still been around to take some of the strain.

But now their departure is having a more direct influence on the cost of home loans. The retreat by most of the banks has encouraged the societies to believe that, once again, they can impose higher interest rates on larger mortgages.

Some societies were always uneasy about charging more in this way, believing that all borrowers should be treated equally and that the differential rate penalised home owners living in areas where house prices were high. Others were less worried, happy to emphasise that there was little reluctance among borrowers to pay higher rates but preferring not to point out that refusal to do so invariably meant no loan at all.

The arrival of the banks ended the debate and the differential rate. Those borrowers who managed to secure large loans over the past two years have done well; those who follow will be less fortunate.

When confronted with their first taste of competition for mortgage business in many years, the societies polished up a tarnished image; loans were agreed more quickly, lending criteria were relaxed, some of the secrecy surrounding surveys and valuations was removed and building society staff began to act as though the mortgage customer's needs should be fulfilled rather than filed.

Competition for savings remains intense and the societies' inventiveness — to the clear benefit of investors — will continue to be tested as they strive to take their share of the savings cake; the implications of the restoration of a virtual monopoly in the mortgage market are less certain.

Some societies are again heavily promoting endowment loans, bearing useful commission, as the only option presently available. Potential mortgage customers are being told at the last moment that there will have to be a premium on the top slice of their loan.

Explaining why

If sufficient loan funds are not available — though the present shortage should be temporary—then people must wait and the societies must take the trouble to explain why. They must pay the same attention to their customers which the presence of a hungry competitor has until now dictated.

The best hope is that competition between the building societies themselves will maintain the same sharpness of service which has recently emerged and prevent a return to some of the bad old ways which were instrumental in encouraging the banks to have a go.

U.S. NUCLEAR INDUSTRY

Now—a question of survival

By Richard Lambert in New York

THE survival of the U.S. nuclear energy industry is in question. Orders for more than 100 nuclear units, representing nearly half the total capacity of nuclear steam supply systems ever ordered in the U.S., have already been cancelled, at a cost to date of around $10bn.

A further 15 or more units, many of them at an advanced stage of construction, appear to be candidates for further cancellation, at a cost which could exceed $1bn a unit.

No new commercial reactors have been ordered in the U.S. since 1978, and the prospects for any new domestic orders during the next five years are slim. The Clinch River breeder reactor, which President Reagan has said is "essential to ensure our preparedness for longer-term nuclear power needs," faces a critical few months with a strong move in Congress to cut off its funds.

Ten years after President Nixon forecast that more than a quarter of the country's electrical output would come from nuclear power by 1985, commercial reactors account for only about an eighth of the nation's electrical output.

Three Mile Island, site of the U.S. nuclear industry's worst ever accident

According to a recent study by the Energy Information Administration, the biggest single reason for the continuing wave of nuclear plant cancellations has been the fact that the utilities' forecasts of the long term growth in demand for electricity turned out to be wildly over-optimistic.

From 1966 through 1972, growth in summer peak loads was projected at annual rates of 7 per cent or more, and on that basis the utilities set out to double their generating capacity over a period of 10 years.

Last year, however, U.S. peak load demand actually declined for the first time since the Second World War. The utilities are now talking about annual growth of only around 3 per cent in the period to 1991.

But as demand has dropped, the costs of building a nuclear plant have rocketed—and the utilities' ability to finance such projects has diminished.

In 1971, the estimated cost of building a 1,000 MW nuclear plant in the U.S. was put at $345m. This figure had climbed to nearly $3.2bn by 1980.

A major explanation for this dramatic change, apart from general price inflation, has been that the average lead time for designing and building nuclear units has stretched from 78 months in 1972 to over 150 months today. This is largely the result of increasing regulatory intervention—especially since the near disaster at Three Mile Island in 1979—along with growing public opposition to the development of nuclear energy and technical shortcomings in the equipment.

It is not just new projects that have been hit by this cost escalation. Commonwealth Edison completed its Quad Cities station in 1972 at a cost of $262m. Since then, it has been obliged to spend another $180m on modifications required by the Nuclear Regulatory Commission.

The utilities themselves have faced mounting financial constraints. Their fuel costs rose tenfold in the 12 years to 1979, and their earnings sagged as a result of regulatory delays in approving rate increases. As their capital needs expanded, their ability to raise new funds declined.

About 90 per cent of the utilities sampled by Merrill Lynch in 1965 had Moody's credit ratings of BAA or above—but by 1980, the proportion had fallen to under 40 per cent.

The capital costs of a nuclear plant are from 30 to 100 per cent greater than those for a coal-fired plant, and are far less predictable. As a result, nuclear plants have been much more frequent targets for the chop by cash-strapped utilities.

The apparent economic advantages of nuclear plants have been continuously eroded in recent years. The Energy Information Administration said in 1982 that new nuclear plants would offer better economic value than new coal fired plants only in New England and the South Atlantic regions of the U.S. Coal fired plants would have a distinct edge in the southwest and North Central regions, which are rich in surface deposits of coal. Elsewhere, it said, there was not much to choose between the two.

Despite these formidable problems, the powerful nuclear lobby is a long way from throwing in the towel. One reason is that the major plant suppliers are still surprisingly healthy.

For instance, profits from General Electric's nuclear power business rose sharply in 1982, even though orders for seven of its domestic reactor systems were cancelled during the year, and its backlog plunged from $3.6bn to $2.6bn. Westinghouse will ship its last major plant component around the end of this year or the beginning of next, and is not counting on any new domestic orders until 1988 or beyond. Yet it believes its nuclear business will grow faster than the U.S. gross national product for the foreseeable future.

Part of the explanation is that the companies have already pruned their manufacturing operations significantly. Westinghouse has cut back its capacity from 10 reactor sets a year to around four, which it says is all it is likely to need even when the market recovers. It is optimistic about the prospects of picking up some international business—mainly in the Far East—in 1984 and beyond. Meanwhile, it is filling its workshops with defence work.

But the main reason for the suppliers' surprising resilience is they are making big profits out of servicing existing nuclear steam supply systems. According to the Atomic Industrial Forum, a trade group, the care and feeding of plants in operation has created a service market estimated at $400m in fees alone.

A big chunk of this aftermarket stems from the need to modify nuclear plants, either at the instigation of the Nuclear Regulatory Commission or because of component failures. On one estimate, this retrofit business will be worth more than $8bn over the rest of the decade.

Competition in the service area is expected to intensify as the workload on original equipment dwindles away in the mid-1980s. But the market should still be big enough to ensure that the major U.S. plant manufacturers, with extensive global experience, will be in a position to resume work on domestic orders in the 1990s.

That, in essence, means Westinghouse and General Electric, and it is significant that both companies have agreed joint ventures with major Japanese manufacturers for the development of advanced light water reactors. These should be in production by the end of the century, and offer much improved operating efficiencies.

Meanwhile, the financial health of the utilities is improving. Earnings have picked up following record rate increases in the past two years, and the bull market on Wall Street has lifted share prices up to and above book values. The industry's capital spending programme is past its peak.

Most important of all, inflation has come down sharply and the economy is recovering. After years of debate, the U.S. now has waste disposal legislation in place, and the Administration is in the early stages of an attempt to rationalise and speed up the regulatory process.

What the industry needs now is a period of sustained economic stability—and of accident- or scare-free nuclear plant operation. At the same time, it has to improve the very erratic operating efficiencies of the plants which are already working, and lop several years off the present construction cycle. Even if all this can be achieved, the nuclear energy business is unlikely ever to return to the heady days of the early 1970s.

WHAT WENT WRONG: A LENGTHENING LIST OF FAILURES

THE U.S. nuclear energy lobby is fighting back. At a cost of some $25m, nuclear plant suppliers, utilities, and industrial power users are mounting a major campaign to counter the wave of adverse publicity which has threatened to swamp the industry in recent months. They face an uphill struggle.

● A growing number of nuclear power projects are running into serious trouble. In July, the Washington Public Power Supply System (universally known as Whoops) defaulted on $2.25bn of bonds raised to finance two nuclear power plants which were abandoned last year at an early stage of construction. All told, Whoops has poured well over $8bn of bondholders money into five projects, of which two have been abandoned and two mothballed.

Other recent headline-grabbers include the Shoreham plant which the Long Island Lighting Company hopes to bring into operation next May—eight years after the original target date, and at a cost of $3.4bn, compared with an initial budget of $217m. The plant still needs formal approval for its emergency planning procedures, and in the face of strong local opposition it is conceivable that Shoreham will never be opened. Whatever its fate, the company says its rates will have to go up by well over 50 per cent to pay for the cost of building the plant.

Up in New Hampshire, the $6bn Seabrook plant is coming under attack from some of its own participants. A number of utilities involved in the troubled 2,300 MW project have said they would like to abandon or delay work on the second of Seabrook's two units, even though more than a quarter of the investment has already been made.

● Three Mile Island, the site of the industry's worst-ever accident in 1979, remains a running sore with work on the clean-up proceeding very slowly. Questions about the safety of nuclear power were raised again earlier this year when the automatic shutdown system at Salem Unit One in southern New Jersey failed twice in four days. Nuclear engineers insist the event was grossly exaggerated by the media—but the Nuclear Regulatory Commission has proposed a fine of $850,000 on the plant's operator, and described aspects of the incident as "deeply troubling."

● Despite strong support from the Reagan administration, the future of the Clinch River breeder reactor plant at Oak Ridge, Tennessee, is looking increasingly doubtful. Around $1.5bn has already been invested (mainly by the government) in this large scale demonstration breeder. Another $2.5bn is needed to finish the job, but the private sector is reluctant to take the risk, and an alliance of fiscal conservatives and anti-nuclear liberals is trying to cut off funds in Congress.

"I believe this summer will be the most crucial period in the history of the project," says Mr Shelby Brewer, Assistant Secretary for Nuclear Energy at the Department of Energy. "We are on the razor's edge."

● Federal support for the Barnwell nuclear fuel plant, the sole survivor of several attempts to develop reprocessing facilities in the U.S., ran out at the end of July. Its private sector owners, who invested some $217m in the facility between 1971 and 1978, are now in the process of shutting it down.

Men & Matters

Battle lines

Buzby seems to be pecking back a bit sharply at private sector equipment suppliers trying to alight in British Telecom's market territory.

The new birds have been given clearance since April to distribute a growing range of private telephone exchanges. But they are having to contend with some chirpy business practices.

Nothing wrong, you might say, with a spot of predatory pricing by BT to make life uncomfortable for its commercial opponents—even if it means taking full advantage of its near-monopoly position as a supplier.

More vexing, though, has been its use of other monopoly powers still left intact by the Department of Trade.

Take "commissioning," for example, known to the layman as switching the thing on. Only BT can do it—and it can be a costly extra for anyone buying from a private supplier.

But what really puts the customer in a flutter is a polite reminder about all those other wires in his building which could be so troublesome without BT's care.

Private exchange suppliers can now install the associated wiring under a DoT code of practice. But complications arising from that lie far outside their province.

BT's Portsmouth sales office has a good line in these complications. One customer on the Isle of Wight was recently informed that all his existing wiring and telephones would have to be removed unless he bought his new exchange from BT.

No laughing matter, since the customer runs a hotel.

And what would happen after the wires and telephones had been removed? Why, they would all be replaced exactly as they were, of course.

Understandably dismayed, the customer relayed his concern to Norton Telecommunications, the private supplier making a rival bid, and they telexed a protest to BT's London headquarters. They are still waiting for a reply.

Back in Portsmouth, meanwhile, BT's bluff has been called. The local BT sales manager agreed to wait six weeks before pulling the plugs on the Isle of Wight's Cliff Tops Hotel—and to go ahead only if the hotel had by then neither relented on its plans to buy from Norton nor taken delivery of a completed installation.

Presumably he was reckoning on Norton proceeding with its contract according to the BT sales manual — a procedure which had got Cliff Tops nowhere for several months.

But Norton's exchange is already installed and working, having beaten the six-week deadline and struck a blow for the competitive market.

There were no hints from BT last night of any review of its competition policy, but they were keen to dispel the idea that an ultimatum had been used in the Isle of Wight or anywhere else. "And what was in prospect anyway was never a removal of wiring," said the company, "only a cessation and reconnection of installation."

House-top

Few people would dispute that, in Crewe House—the Curzon Street headquarters of Thomas Tilling, BTR owns a rare and stylish chunk of Mayfair real estate.

But even fewer people in the property world seem ready to go along with BTR's suggestion that the property—built in 1708 by Edward Shepherd—could fetch £50m.

BTR's acquisition of Tilling earlier this year has led to an inevitable search for asset disposals and Crewe House is a leading candidate. So far, however, no estate agent has been given the task of finding a buyer—something which has not prevented them from running a sliderule over the premises in case the 'phone call comes.

The freehold building's good looks are beyond question but, for £50m, it seems a buyer will be expecting a lot more besides. The experts say the building, despite its spacious setting, is not particularly big or modern inside and any purchaser would need to spend substantial amounts of money to bring it up to the standards demanded by today's office occupier.

The suggestion that a private purchaser could find £50m, plus whatever was required to turn the property back into a rather spectacular house, is regarded as highly fanciful.

The most optimistic valuation came up with a figure in the region of £20m, which would at least make an impact on BTR's books and would certainly leave one West End estate agent with a stylish commission.

In tune

Life in the topsy-turvey world of House of Fraser seems to be faithfully reflected in the musical tastes of the directors. Last year as Lonrho was limbering up for one of its many confrontations with the Harrods stores group — and just before Fraser announced a fall in profits — Fraser sponsored the opening concert of the Edinburgh Festival — Verdi's Requiem. ...

This year, I note that Fraser sponsored the opening concert again — Beethoven's 9th Symphony, containing the choral arrangement of Schiller's Ode to Joy. The performance took place barely 48 hours before the Department of Trade and Industry responded to a request by Fraser to examine their share register and see whether Lonrho was receiving disguised support in its campaign from mystery shareholders.

Next year I intend to study the programme of the Edinburgh Festival carefully for early signs of how things are at Fraser.

Fly moves

Along with guidelines to radiation doses, the readers of today's issue of Nature get some very useful scientific advice on how to swat flies.

As E. G. Gray, of the National Institute for Medical Research, says, attempts to swat a fly are usually thwarted by the "high-speed (millisecond) reflex system in its visual-brain-motor system" which enables it to take off "at an avoiding angle in response to a moving approaching swat entering its visual field."

Gray's experiments in the interests of hygiene have come up with this most effective method of swatting:

"A piece of tissue paper is taken in each hand and the fly approached from the left and right, keeping the hands equidistant from the fly and moving to and fro slightly, then both hands simultaneously pounce.

"The fly cannot cope with this situation," he says, "since its central nervous system circuitry is geared to avoid approaching movement in only one part of its visual field at a time.

"Two simultaneously approaching swats render the fly immobile for its central nervous system now cannot compute at which angle to take off."

I look forward eagerly to his advice on how to put down other pests.

Idle gossip

Graffito in a West Midlands social security office: "I'm an iddle hand but the Devil hasn't found me any work."

Observer

ECONOMIC VIEWPOINT

Proposal from a Treasury exile

By Anthony Harris.

THE National Institute of Economic and Social Research used to be known as the Treasury in Exile; it was manned partly by Treasury officials, and its forecasting work, which was very like that of the official side, was useful both as a kind of unofficial window on Treasury policy, through which business could take its lead, and as a check on the Treasury's own work. In these days of ideology and leaks, roles have changed radically. Mr Andrew Britton, the new Director of the NIESR is an ex-Treasury man, but he is a dissident as well as an exile—the voice of the old Keynesian Adam. Nothing on the face of it could be less in tune with Government thinking; but there must be moments when this discordant voice sounds to Ministers rather like a siren song.

The reason is simple: the Government is now actively worried about growth, in a way that it never was during its first term of office. Failing growth, as the leaked Think Tank report pointed out, the whole government strategy of reducing the burden of taxes and public spending will come unravelled. Ministers, despairing of our ability ever to resume our pre-crisis growth average of about 2½ per cent annually—and who, a few years ago, would have thought that that modest number would have become an aspiration rather than a source of shame?—are already beginning to think the unthinkable about welfare and even defence.

But must it be so? The tempter has appeared in the unlikely person of Mrs Thatcher's friend President Reagan. He has, for the moment at least, achieved a really quite dynamic burst of growth; and he has done it by using the very methods which Mrs Thatcher (and Mr Callaghan before her) have denounced as unworkable. He has spent his way out of recession; and, incidentally, created 15m jobs, many of them presumably real jobs, in the process.

How is it possible that the President has achieved such success with policies which have been so generally denounced on this side of the Atlantic, and indeed in Wall Street? The answer, as David Hale pointed out on this page yesterday, is very simple: monetary policy has been relaxed.

Last year, however, the Fed was frightened almost out of its wits by the impending foreign debt crisis; to save the banking system it adopted a new policy of forcing interest rates down, and making excuses for the money numbers. Within six months, the Federal deficit emerged as a powerful stimulus. Do we, then, simply have to stop banging our heads against the monetarist wall?

No, of course not. For one thing, the U.S. recovery is widely expected to fizzle out; and whether it does or not, it could only too easily turn into a cautionary tale. There are even at this stage disturbing signs, in reports by industrial purchasing officers, that inflation will revive sharply before long. There are two good analytic reasons for taking this warning seriously. First, a very high deficit imposes high interest rates regardless of monetary policy, because it inspires fear in the bond markets. These rates are both a warning and a cause of future inflation; for high rates are inhibiting investment, and that suggests bottlenecks before long. Secondly, and more questionably, a recovery led by consumer demand sucks in imports and could undermine the dollar.

The U.S. recovery, then, does not provide the answer to our problems, but it does still raise the question: is there some *optimal* middle ground between Mrs Thatcher's puritanism and President Reagan's improvidence which would improve the chances of worthwhile growth in this country?

The argument in the National Institute's *Review* starts with a simple proposition: there is no reason to suppose that worthwhile growth will happen in the UK of its own accord. The Institute's own forecast *is* that our recovery will virtually peter out next year, but it modestly admits that it could be wrong; but any real surge, over 2½ per cent, would take us right outside the normal range of the Institute's forecasts, which now have a 25-year track record.

The Institute goes on to assert, on two quite different levels, that different policies could improve the outlook; and this is the proposition that needs to be discussed. Mr Britton essentially repeats the plea which Oliver Cromwell once addressed to the General Assembly of the Church of Scotland: "I beseech you, gentlemen, in the bowels of Christ, to conceive it possible that you may be wrong."

Wrong, first, about reflation. This part of the argument is pretty bald. The Review simply asserts that "the borrowing requirement is considerably lower than it need be," so that there is room for tax cuts or higher spending. Since no figures are suggested, this simply leaves us looking a little wistfully across the Atlantic and wondering if we dare move in that direction. On its own, this is not very interesting—or even, given the Institute's history, very provocative. The Review seems to have been recommending reflation for so long that it looks a little like a stopped clock. Even a stopped clock, of course, is right once every 12 hours, but on its own this knowledge is unhelpful.

However, in another section the Review offers something much more rewarding: an exercise in policy optimisation. The phrase "policy optimisation" is a little unfortunate, because it suggests rather more magic than it actually contains. It is not a way of producing ideal policies, but of exploring the policy implications of an economic model; the policies are no better than the model. This way of using models—which is incidentally that approach recommended by Sir John Mason, head of the Met Office, in his address to the British Association this week—turns out to be most revealing.

The process is technically difficult, but fortunately easy to describe. A model attempts to describe the behaviour of the economy by relating past behaviour to past policies and events. It is usually used for forecasting: new facts and policies are fed in, and predicted behaviour comes out. In this use the National Institute's model, as another chapter says, is on average about half right.

An optimiser does not forecast. Instead, he asks the computer to behave like a Minister. A set of objectives—lower inflation, higher employment, a sound balance of payments are examples — are fed in, and assigned weights. Further constraints—a bar against violent tax changes, a desire to cut direct taxes, or a bar against higher Government spending—can be added. The computer then produces the policy mix which would, if the economy is like the model, produce the best compromises between these often conflicting objectives.

The results for the past year of the six-year run are shown in the table, and they are deeply suggestive. Most surprisingly, perhaps, they show that in spite of the statements at the beginning of the Review, none of these optimal policies seem to have more than trivial effect on PSBR, at least in money terms. Reflation is subtler: because this PSBR appears at a higher level of activity than now seems likely, which equally means a higher level of Government revenue, what we have is only a *cyclically adjusted* fiscal stimulus—popularly known to its friends as "balanced budget reflation."

Equally, the net rises in government spending shown are quite small; but under this undramatic figure is a much more dramatic change in the *composition* of spending. Unemployment falls — quite sharply, in one variant — so there are large savings in social benefit; there is, therefore a slightly larger rise in direct spending, which creates employment rather than supporting the unemployed.

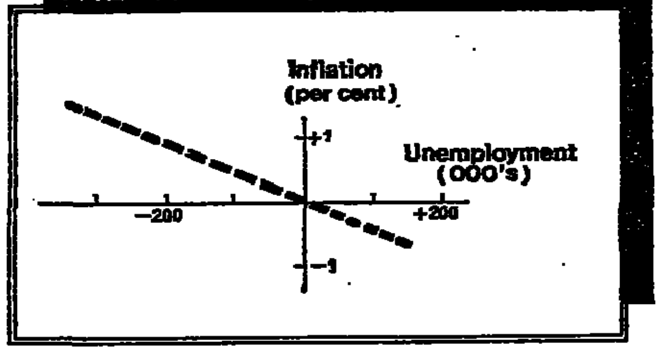
Now these are points which Mr Nigel Lawson, the Chancellor, should readily understand. In a previous incarnation, as Financial Secretary to the Treasury, he made an eloquent speech on the importance of thinking in cyclically adjusted terms; Sir Geoffrey Howe did not appear to agree. The point is that crude cash targets can lead to perverse policies: the economy falls below expectation, deflating revenue and raising social spending. A purely cash-minded government will cut spending and raise taxes, so deepening the recession which has caused the trouble; a cyclical thinker will try to get back on track. Does the old Lawson still live?

The second point is that these runs did not include targets for the money supply or the PSBR, yet the model behaves almost as if it believed in the Medium Term Financial Strategy. This was achieved simply by giving it a balance of payments constraint. The balance of payments is after all the single figure which tells us whether an economy is living above or below its means, just as the effective exchange rate is the single figure which tells us whether there is an unsatisfied demand for a currency, or an excessive supply. The exercise does suggest that the Government has been trying to optimise too many different numbers at the same time; simpler targets would work better.

Finally, the process enables us to study trade-offs—for example, between unemployment and inflation—in the only scientific way: by comparing optimal policies with different priorities. This particular trade-off, in the National Institute model, suggests that there is room here for rational choice; or, if you like, that there is no free lunch, even in anti-inflation policy.

The Review, then, is hardly a revolutionary manifesto, or a call to profligacy. It suggests that growth might be better through a modest balanced-budget reflation, a slightly lower exchange rate and a small shift back from indirect to direct taxes; it might even be good enough to banish the nightmares which now haunt the Cabinet. At the very least, the case for putting the same questions to the Treasury model of the economy seems unanswerable.

INFLATION and UNEMPLOYMENT THE TRADE-OFF



THREE VERSIONS OF 1984

THE IMPACT OF OPTIMISED POLICIES, ACCORDING TO NATIONAL INSTITUTE

	Government's existing priorities	Higher unemployment priority	No unemployment priority
Unemployment (000's) ...	−300	−617	−88
Prices (%) ...	—	+0.99	−0.6
Balance of payments (£m)	−216	−374	−119
GDP (%) ...	+1.9	+3.6	+0.7
PSBR (£m) ...	+656	+940	+456
Consumer taxes (%) ...	−1.7	−1.82	−1.57
Income taxes ...	+2.3	+2.94	+2
Govnmt. expenditure (£m)	+383	+684	+134
Exchange rate (%) ...	−2.8	−10.4	+2.4

The figures in the table measure the additional impact of optimised policies compared with a computer run based on present Government policies. The changes shown are for 1584, the last year of a run which covered the whole of Mrs Thatcher's term of office.

Lombard

Uphill push for Soviet reform

By David Buchan

What does Yuri Andropov want to do with the world's second largest economy? Apply decentralising and incentive-based reforms to the ossified Soviet planning system or rely on the parade-ground smack of discipline for a workforce grown lax in the Brezhnev years? Since last November we have hung on the Soviet leader's cryptic public remarks for illumination, but only in recent weeks have we come near an answer. Mr Andropov is pursuing a mix of discipline and very limited reform, which still looks more like a recipe for continued muddling-through than a new strategy to pull the Soviet economy out of its doldrums.

The campaign to get Russian noses back to the grindstone may have had some effect, particularly as Mr Andropov has astutely spread the pain—chivvying blue collar slackers, sacking corrupt white collar bureaucrats and ministers, and chastising the inefficient at all levels. But this year's industrial production improvement, which had other causes, has slackened already, from a 5.3 per cent rise in January and February (compared to a year earlier) to a 3.8 per cent gain for the first seven months of 1983. Soviet input and output figures are overstated, anyway, because they do not admit to inflation. There is no real sign, yet, of an end to the economic stagnation of the late Brezhnev years.

From the start Mr Andropov hinted at some systemic changes. Last month he let drop the reform shoe, but hardly with a thud. From next January, local managers in the nationwide transport and electrical equipment ministries and in food and light industry plants in three republics, will get more say in how their businesses are run. They will, for instance, have a greater share of profits at their disposal.

But the 1984 reform is akin to many tried before, notably in 1965 and 1979, and like them, it may fail for being too limited. "Reform" factories must still swim in a sea of "unreformed" suppliers and customers under the central planners' thumb. For all Russians — factories and individuals — theoretical freedom to dispose of income begs the question of getting hold of something to spend it on. Genuine autonomy would also give Soviet managers the say in setting output and prices and in dealing direct with foreign partners that their counterparts now have in Hungary.

Mr Andropov never promised to be a radical. At the outset, he said economic reform would be conducted with "circumspection," and in the wake of "the experience of fraternal countries." But last week, he inveighed in an air of frustration against the "accumulated inertia" against change.

The audience he chose was significant—veteran communist party members. Nearly a quarter of the central committee is made up of those who have been party members for 30 years or more, and it is here, one may presume, that the natural resistance to change is strongest. Other elements in the anti-reform coalition are the bureaucrats and the military who, respectively, run and benefit most from the existing central planning set-up. The signs are that Mr Andropov is trying to build, in almost Western style, a consensus for further reform. But, at 69 and in ill health, he may not have the time.

What is success or failure of Soviet reform to the West? The Soviet Union is not a major engine of the world's economy. The level of its trade with the West is less a function of internal economic buoyancy or lack of it than of its hard currency returns on raw material exports. Soviet primary production is less beset by systemic problems.

But successful reform would erode the central planning system, vital underpinning to the Soviet military build-up as it was to the Western war effort 40 years ago. It would make the Soviet system more permeable and understandable to western businessmen. If a tiny degree of political relaxation were to follow economic liberalisation, that would be an added bonus.

Letters to the Editor

Validation of economic forecasting

From Mr Andrew Britton

Sir,—I enjoyed your editorial (A Warning from the Weatherman, August 23) commenting on Sir John Mason's address to the British Association. You explain some of the difficulties of economic forecasting in comparison with weather forecasting, and add "in all the circumstances it is amazing that economic forecasting 'works' at all—and some forecasters modestly question this, pointing out that their performance is often no better than could be achieved by drawing graphs on log paper with a ruler."

You may be interested in the study we have made at the National Institute of the accuracy of our forecasts of output since 1959. By a happy coincidence the study is published in our Economic Review this week. We examine the forecasts published each February for the growth rate of output (gdp) 12 months ahead from the fourth quarter of the preceding year. The correlation of forecasts with outturn is about 55 to 70 per cent. By contrast a straight line projection would show a correlation of zero. This result is consistent with an average absolute error in the forecasts of 1 to 1½ percentage points. We make no claim to precision, but we do claim that the usefulness of forecasts can be demonstrated.

These studies are based on experience of forecasting over a period of 24 years. It is quite true that validation of forecasting methods in economics is a very slow process. It is nevertheless essential. I cannot agree with Sir John if he said that a model which is not validated by its forecasting record may nevertheless be adequate for the analysis of policy variants.

Finally, I was amused by your suggestion that the success claimed for weather forecasting rests on the regularity of seasonal variation. Should we insist that meteorologists forecast the weather, as we forecast the economy, seasonally adjusted?

Andrew Britton,
Director, National Institute of Economic and Social Research,
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Smith Square,
London SW1P 3HE.

Consultation on business rates

From The Association of British Chambers of Commerce

Sir,—Those reading your report (August 22) of the most interesting proposal by the Institute of Directors (IoD) for a Business Ratepayers' Consultative Committee to influence local government spending and rate increases, would be left unaware of one rather important aspect of the IoD's proposals. "In general the Chambers of Commerce are the most appropriate business bodies," the IoD suggested, envisaging Chambers "nominating the Committee members in accordance with guidelines issued by the Secretary of State." Chambers are, as the IoD recognised, "local organisations representing a wide spread of business interests, with a local secretariat, and very often with extensive links with their local authorities already."

An ABCC committee, consisting of representatives of the regional Chambers of Commerce in England, is at present considering our response to the White Paper, particularly on the issue of business consultation. The IoD is to be commended for giving such attention to the two related problems which principally concern the business community. First, how will the Government's legislation ensure that the consultation procedures are meaningful and not purely cosmetic, as in certain areas consultation clearly is at present, and what sanctions against flagrant ignoring of the representations of the business community are to be provided? Second, how far and at what stage in the local authority budget making process, are the business representatives to be provided with the essential information about the local authority's finances and spending proposals, which they need to enable them to play a constructive and effective role?

David Nicholson.
Director, Home Affairs,
The Association of British Chambers of Commerce,
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212a, Shaftesbury Avenue,
London WC2

Myths about local rates

From Mr Henry Law

Sir,—Your editorial (August 18) may have helped to dispel the hysterical tone which now pervades the continuing saga of local rates.

More needs to be said. In the public mind, the subject is dominated by the mythical frail old lady living alone in an enormous house, while next door, husband, wife and five strapping lads, all wage-earners, are paying the same rates between them.

Almost certainly, the true reason why rates receive so much attention is because they are the most perceptible of all taxes. Rates are a tax on actual or imputed rent, as can be seen very well in the Enterprise Zones, where the "rates holiday" has led to higher rents which largely absorb the value of the concession.

Conversely, in areas where rates are high, rents and property values are discounted accordingly. Rates do far less damage to the economy than any of our other taxes, and provided that the transition was made gradually, there is no reason why a higher proportion of public revenue should not be funded from the rates, other taxes being correspondingly reduced.

Two disturbing features of the White Paper are a categorical refusal to consider getting rid of the anomaly of agricultural de-rating, and the absence of any comment at all on the subject of Site Value Rating.

The proposed commercial revaluation would place a heavier burden on occupiers of modern properties. It emphasises the fundamental defect of the present rating system: investment is penalised. By de-rating all buildings and improvements Site Value Rating would eliminate this disadvantage, and therefore merits serious consideration.

Henry Law
8, *Woodhouse Road,*
Hove, Sussex.

Tax basis for earnings per share

From Mr Keith Sykes

Sir,—The Lex article (August 22) about the appropriate tax basis for earnings per share raises a number of interesting issues; however it leaves one perturbing question unanswered.

Published accounts show pre-tax profit after depreciation, designed to write off the cost of fixed assets over their "useful life," rather than charging capital expenditure in the year in question. This acknowledges the lumpy nature of capital expenditure. If this is the correct treatment above the line, how can it be right to take all the tax credit in a single year?

Keith Sykes.
36a Cleveland Square,
London, W2.

Funding the price of life

From John de Rivaz

Sir,—Another way of looking at the price of life (August 17) is to consider the price some Americans and Australians are willing to pay to avoid death by using cryonic suspension. Curiously, this is of the same order of magnitude as the figure mentioned in the article.

One of the particular problems with this is that the funds must be provided immediately upon death, and therefore probate delays and uncertainties cannot be allowed. A look at the requirements for cryonic suspension shows how antiquated and unfair are the laws concerning private property and death. This means that cryonicists' funds must be placed in inefficient investments such as life insurance, or otherwise they must incur the very high professional fees relating to joint trusts.

Averaged over 30 years or so, these can represent 50 per cent of the capital, assuming one adds in the taxes levied on the sums raised to pay these fees. The sum provided has to be topped up to allow for inflation, which means that the only life policies that would work are 100 per cent investment policies, where the client is effectively insuring his own life.

However, these are ruled out for many people even if only because of the capital taxation levied on transferring investments into them. This also illustrates the impossibility of paying for funerals from life insurance in inflationary times.

I have prepared a detailed report on this subject and am willing to send a free copy to anyone interested. It covers the main American cryonics societies and also the Life Extension Foundation. This is the Florida organisation that has recently achieved a lot of favourable publicity in the U.S. on the Merv Griffin show and also through publication of the American best seller, Life Extension—A Practical Scientific Approach, by Pearson and Shaw (Warner Communications 1982, $20).

The support achieved by the Life Extension Foundation, together with the prices paid for the vitamins and nutrients they sell, show what many people are willing to pay to maintain themselves in good health and extend their lives.

John de Rivaz.
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Porthtowan,
Truro, Cornwall.

FINANCIAL TIMES

Thursday August 25 1983

London consortium banks face up to end of an era

BY ALAN FRIEDMAN, BANKING CORRESPONDENT, IN LONDON

MR JOHN SCLATER, managing director of Nordic Bank, said this week as one of the consortium bank's shareholders agreed to buy out its partners: "What made sense 10 years ago no longer makes sense today."

Mr Sclater can afford to be philosophical about the Nordic Bank buyout by Den norske Creditbank (DnC), Norway's largest commercial bank. At the end of the day Nordic, London's second largest consortium bank with total assets of £2.1bn ($3.2bn) will not only have new growth potential and the full backing of DnC, but also a balance sheet brimming with £35m of extra cash.

Nonetheless, DnC's £67m buyout of its Swedish, Danish and Finnish partners in Nordic has hammered another nail in the coffin of London consortium banking. Although some may disagree, the London market's consensus is that the concept of consortium banking – where several banks get together and jointly fund an international venture – made sense a decade ago and is clearly now on the way out.

The case of Nordic Bank is a perfect example of how the once chic idea has faded in recent years: ten years ago, when the Eurocurrency market was still evolving, it was logical for banks to band together, share knowledge and spread the risk. The packaging of medium-term credits was a risky business and yet an exciting one – every foreign bank wanted a presence in the London market.

But as the years have gone by and the Euromarket has matured, the business of medium-term lending has become more competitive and banks have been striking out on their own. This is what happened to one of Nordic's four shareholders – Svenska Handelsbanken.

Svenska Handelsbanken last year took the investment banking team from Nordic and established its own London operation, Svenska International. The bank started operations chiefly in the capital markets area, but now it has expanded with foreign exchange, money market and credits.

TOP TEN CONSORTIUM BANKS IN LONDON

Bank	Assets (£m)	Pre-tax profit (£m) 1982	1981
Saudi Intl Bank	2,532	15.28	9.86
Nordic Bank	2,116	9.50	12.42
Scandinavian Bank	1,930	13.20	11.41
Libra Bank	1,518	38.47	27.67
United Bank of Kuwait	1,211	10.89	4.90
Intl Commercial Bank	946	9.36	8.47
UBAF Bank	861	9.22	7.50
European Brazilian Bank	766	25.30	18.10
Euro-Latinamerican Bank	693	8.33	9.83
Japan Intl Bank	631	2.67	3.05

Source: IBCA Banking Analysis

Back at Nordic Bank the shareholders decided to go their own ways and so DnC agreed to buy out its partners' 75 per cent holding and run Nordic as its own London subsidiary.

Nordic is not the first major consortium bank to be eaten up by one of its parents. Only a few months ago Standard Chartered Bank paid £43m for Midland and International Bank (MAIBL), the oldest of London's consortium banks.

Other major consortium banks which have gone this way include Orion Bank, taken over by Royal Bank of Canada in 1981, and London Multinational, taken over by Chemical Bank in 1977.

United International was taken over by Denmark's PRIVATbanken, Italian International is now owned by Monte dei Paschi di Siena and Banque Française de Credit International (BFCI) ceased trading last year when its two French shareholders decided to set up their own London operations.

Not all consortium banks are finished, however. Saudi International, owned partly by the Saudi Monetary Authority (SAMA) and by other banks including Morgan Guaranty, is still a very active going concern.

So is the European Banking Group, owned by seven major banks including Midland and Deutsche. Mr Bill Slee, managing director of EBG, draws a distinction between consortium banks with "a one-product geographical emphasis" and banks such as his own, with "a diversified range of services."

Mr Slee claims that EBG should not be identified along with other consortia because "we don't get business fed into us by our parents and we are not a single medium-term lending operation."

Paris acts against petrol discounter

Continued from Page 1

ed by the Energy Minister's threat to sanction petrol discounters as he did not possess an import licence in the first place.

The Socialist Government is highly embarrassed by the price-cutting affair. It is giving the Leclerc organisation impressive nationwide free publicity ahead of the traffic-laden final weekend of August on which an estimated 3.5m petrol-hungry French motorists will be on the roads returning from their summer holidays.

The Government would like to resolve the conflict next month, when a round table meeting with all petrol distributors has been scheduled. A doubling of the allowed discounts – the 10 centimes maximum has been unchanged since 1978, since when French petrol prices have doubled – would be the preferred method of ending the price war.

Now that M Leclerc, by mounting his challenges to government authority, has raised the temperature of the affair, that final solution is likely to be anything but quiet.

Final resolution of the Leclerc group's battle against the petrol price-fixing system of the French Government and the petrol distribution companies which observe it may have to await a judgment from the European Court of Justice.

French courts at Nanterre and Fontainebleau in the Paris region have referred to the European Court cases brought by two petrol stations – Société STA and Rosello – against Leclerc.

The result will have implications for:

- The manner in which governments seek to control the movement and prices of goods in the market place;
- The relationship between national law and EEC law.

The petrol stations charge that Leclerc is breaking a French law of 1945 – the Government's means of controlling prices – by offering larger than officially permitted discounts.

Leclerc contends that official control of petrol prices is against EEC laws on free competition and that therefore the French law is not applicable.

The arguments centre on interpretation of Article 85 of the Treaty of Rome, establishing the EEC.

This forbids the fixing of purchase or selling prices and prohibits market-sharing, where they affect trade between the EEC member states.

Past administration of this Article by the European Commission has shown that governments have almost total freedom in the competition field provided trade is not affected. The way in which the Leclerc business is sustained by imported petrol could therefore have a decisive hearing on the attitude of the European Court.

The court will soon call for written observations on the case.

Britain to investigate Ford's licensing of replacement parts

BY JOHN GRIFFITHS IN LONDON

BRITAIN'S Office of Fair Trading (OFT) is to investigate whether Ford is acting anti-competitively over supplies of body panels to the UK replacement market.

The action by the OFT, Britain's consumer watchdog, throws into sharp focus a long-simmering controversy over the extent to which motor vehicle makers can control the manufacture and sale of replacement parts.

Its action follows complaints from two UK companies that Ford's use of copyright licences for making or selling replacement panels is intended to prevent suppliers other than Ford group companies from catering to the market.

Both companies are among about a dozen already facing legal action by Ford for allegedly selling or making "counterfeit" body panels and other parts.

Ford decided to launch the actions earlier this year, claiming that such counterfeiting is costing it "many millions" in lost business. It said its 11 per cent fall in replacement parts turnover, estimated at about £350m ($535m), last year, had been exacerbated by counterfeiting operations.

The two companies are Salop Tools and Fixtures and Factoring Services Group.

Sir Gordon Borrie, the OFT's director-general, said the investigation, under Section 3 of the Competition Act, was to establish whether Ford "has been or is pursuing a course of conduct which amounts to an anti-competitive practice."

Ford said last night that it would "co-operate fully" with the investigation. But a statement went on: "As recently as July this year, the director-general was acknowledging that under current legislation Ford has a legal right to protect its copy right in body panels," and went on to deny that the company was acting anti-competitively.

Manufacturers see "counterfeiting" as a growing international problem. In an attempt to defeat it, Ford for one has been design-registering its models throughout Europe since the 1981 launch of the new Escort, to provide itself with a basis for further legal action if necessary.

The OFT expects to take at least six months for its inquiries, because of the highly complex issues involved.

These involve existing "exclusive supply" clauses between Ford and its dealers, which in common with other manufacturers require dealers to use only replacement parts made or supplied by Ford. These are shortly to become illegal.

Ford's new cabriolet, Page 9

UK overtakes Netherlands as largest foreign investor in U.S.

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

BRITAIN overtook the Netherlands to become the biggest foreign investor in the U.S. last year, according to figures released by the U.S. Commerce Department yesterday.

At year end UK direct investment in the U.S. stood at $23.3bn, a surge of almost $8bn over the $15.6bn accumulated total at the end of 1981, the department said.

The figure for the Netherlands, for many years the biggest single foreign investing country in the U.S. fell to $21.4bn at the end of 1982, down from $23.1bn at end-1981.

Japan, with $8.7bn at the end of 1982, moved into third place above West Germany with $8.2bn. Next came Switzerland with $4.8bn and France with $4.7bn, down from almost $5bn at the end of 1981.

Much of the change in the British and Dutch positions was accounted for by a shift in the way the department attributed an investment of about $4.5bn by British Petroleum in its operations in Alaska.

Until the second quarter of 1982 the investment had been held for BP by a Dutch holding company, meaning that it was recorded by the department as a Dutch rather than a British investment. With the liquidation of the Dutch holding company last year the investment was reclassified as being of British origin.

British direct investments nevertheless moved ahead healthily in all categories – manufacturing, trade, finance, insurance, real estate and miscellaneous, as well as petroleum – department officials said.

The overall foreign direct investment in the U.S. increased 13 per cent to $101.8bn at year-end 1982, the department said. But the $11.4bn increase in 1982 was much smaller than the record $22.1bn addition in 1981, and foreign parents' income from their U.S. affiliates fell sharply.

The investment position is the book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates.

The department said factors that deterred investment included: the prolonged economic recession in the U.S. and abroad, which depressed earnings of U.S. affiliates and their foreign parents that might have been used for investment; high interest rates, which raised the cost of borrowing funds; and the strengthening of the U.S. dollar vis-a-vis major foreign currencies during most of the year, which raised the cost to foreigners of U.S. investment.

The $11.4bn addition to the position in 1982 consisted of capital inflows of $10.4bn and valuation adjustments of $1.0bn. Capital inflows consisted of equity and intercompany account inflows of $10.6bn and negative reinvested earnings of $0.2bn.

Equity and intercompany account flows were down $7.7bn from record 1981 inflows, but were much larger than in any year before 1981, the department said. Two-thirds of the fall in inflows was accounted for by two exceptionally large 1981 acquisitions

Doubts on future Telecom spending

By Guy de Jonquieres in London

SERIOUS DOUBTS about whether the planned sale of shares in British Telecom to private investors will lead to an increase in telecommunications investment in Britain are expressed in a comprehensive new study of European telecommunications markets.

The study, by Logica, the London-based computer services and consultancy group, points out that the state-owned telecommunications group's recent investment per capita has been among the lowest in West Europe. Only the Netherlands and Spain among major countries are spending less, while investment per capita in West Germany is more than double the British level.

The study argues that telecommunications investment throughout Europe must rise strongly in the next few years, and suggests that national telecommunications authorities (PTTs) will increasingly seek finance by borrowing on the open market.

The UK Government plans to offer 51 per cent of British Telecom to private buyers in the autumn of next year. The study suggests that other European governments would be unlikely to follow suit unless sale to the private sector was shown to have helped British Telecom to raise its investment substantially.

"But that outcome is at least five years away," it says. "The record of British management and the investment community in supporting large-scale investment in industry is poor; squeezed between tight tariff constraints and the demand for high profits, BT could find it just as difficult to increase investment as before."

It was likely that in the rest of Europe, PTT operations would remain largely a tool of economic policy and planning for the next decade.

But the study forecasts that most European countries will adopt increasingly liberal policies towards the supply of subscriber equipment and network services.

European tariffs, Page 5

UK current account back into deficit

Continued from Page 1

forecast at the time of the budget on March 15 that there would be a surplus of £1.5bn for the year as a whole. Last year's current-account surplus was £4.1bn and that for 1981 was £6bn.

The emergence of a substantial trade deficit at such an early stage of the recovery is worrying for the Government in spite of the continued help given by oil trade.

It puts in question the amount of help that exports may be able to contribute to recovery of the UK economy even if world trade does pick up the 3 to 4 per cent expected for next year.

The prospect of a weak current account would also make it less easy for the authorities to cut UK interest rates much below those ruling in the U.S., without risking a sharp slide in the value of sterling.

With the pound at its present high level against a trade-weighted basket of currencies, some depreciation might even be welcome. However, the Government would be most unwilling to risk a slide similar to that which started last November.

Those fears were allayed by an apparently better trend of exports in the autumn of 1982, but subsequent figures give little comfort to the markets.

Sterling ran into a sharp flurry of selling on the currency markets after the figures were announced, only to pick up by the end of the day as New York credit markets showed further signs of easing.

Libyans seek foreign finance

Continued from Page 1

projects. If export credits are needed to win credits in Libya, then the pressure to provide them will be all the greater.

Although the fertiliser project is the first for which Libya has sought 100 per cent external financing, there are one or two other projects in the pipeline where export credits are being sought to partially finance a project – despite the obvious political strings attached.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	25	77	Dubrovnik	S	28	82	Malaga	S	25	77	Salzburg	C	24	75
Akrotiri	S	30	86	Faro	S	28	82	Malta	F	28	82	Seoul	R	23	73
Algiers	F	28	82	Florence	C	23	73	Manila	S	37	99	Singapore	C	31	88
Amsterdam	F	21	70	Frankfurt	F	26	79	Miami	R	32	90	Stockholm	S	16	61
Athens	S	30	86	Funchal	F	23	73	Milan	R	19	66	Strasbourg	F	22	72
Bahrain	S	37	99	Geneva	F	22	72	Moscow	F	24	75	Sydney	S	13	56
Bangkok	C	32	90	Gibraltar	S	24	75	Munich	C	22	72	Taipei	C	34	93
Barcelona	S	24	75	Guernsey	S	19	66	Nairobi	–	–	–	Tangier	S	25	77
Beirut	–	–	–	Helsinki	F	14	57	Naples	F	29	84	Tehran	–	–	–
Belgrade	S	31	88	H. Kong	R	28	82	New Delhi	C	33	91	Tel Aviv	S	31	88
Berlin	R	22	72	Innsbruck	C	19	66	New York	S	30	86	Tenerife	S	27	81
Biarritz	C	20	68	Inverness	C	16	61	Nice	C	23	73	Tokyo	C	24	75
Blackpool	S	21	70	Istanbul	F	25	77	Oporto	S	24	75	Toronto	S	25	77
Bordeaux	S	25	77	Jersey	S	21	70	Oslo	S	18	64	Tunis	F	31	88
Brussels	F	21	70	Jo'burg	S	18	64	Paris	F	25	77	Valencia	S	28	82
Budapest	S	29	84	Las Palmas	S	25	77	Prague	S	26	79	Venice	R	19	66
B. Aires	S	21	70	Lyon	–	–	–	Reykjavik	C	12	54	Vienna	S	29	84
Cairo	S	34	93	Lisbon	S	28	82	Rio de J'o	S	27	81	Warsaw	S	27	81
Cape Town	–	–	–	Locarno	C	19	66	Rome	C	26	79	Zurich	C	21	70
Caracas	C	28	82	London	C	18	64								
Casablanca	S	24	75	Los Angeles	S	29	84								
Copenhagen	S	22	72	Luxembourg	F	24	75								
Corfu	S	30	86	Madrid	F	25	77								
Dublin	C	17	63	Majorca	F	28	82								

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Novo profits surge 58% at midway

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish pharmaceuticals and enzymes manufacturer, saw its profits surge ahead in the first half, with earnings before tax increasing by 52 per cent from DKr 307m to DKr 467m ($49.3m) and net profits by 58 per cent from DKr 226m to DKr 357m excluding extraordinary income.

Profit growth was well ahead of sales, which increased by 20 per cent to DKr 1.63bn. Earnings per share were up by 50 per cent to DKr 74.76 ($1.64 per American depository share).

Sales of pharmaceuticals increased slightly faster than total sales, with insulin sales leading the growth. Volume growth accounted for more than half the increase in pharmaceutical sales.

Novo's human insulin is now on sales in 10 countries. It forms a small but growing share of total insulin sales, the company said.

Enzyme division sales increased by almost 20 per cent, excluding enzymes for high fructose corn syrup production. There was an especially strong increase in the sale of liquid enzymes for detergent production in the U.S. Corn syrup enzyme sales were in line with the strong first half of 1982.

Capital expenditure increased by DKr 207m to DKr 260m and may reach DKr 600m for the year, bringing on stream new enzyme purification plants, expanding insulin extraction facilities and increasing research and development facilities and administrative facilities in Denmark.

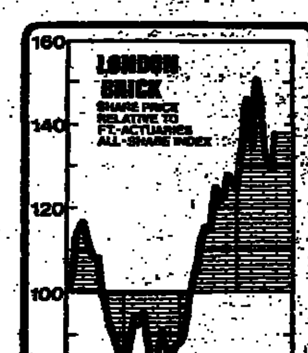
It will also include investment to increase the flexibility of the company's enzymes manufacturing plant in North Carolina. A site for an enzyme production plant has also been acquired in Japan.

A new insulin pilot plant is being built in Denmark. The company said this is intended to upgrade insulin production.

See Lex, this page

THE LEX COLUMN

Another brick in the wall



Yesterday's trade figures were bad enough to disturb even the hibernation of the gilt-edged market. But, while the export performance of UK manufacturing industry seems almost uniformly disappointing, there was at least some encouragement from the U.S., where a decline in the Federal Funds rate met no resistance from the Fed.

London Brick

London Brick made no secret of the way the wind was blowing last week, so its decision not to pursue Ibstock Johnsen comes as little surprise. At current price levels a takeover looks far less of a bonanza than it did last December. More surprising – certainly to London Brick itself, which was making cautious noises earlier in the year – is the speed of the recovery. Profits for the first half have jumped £3.7m to £10.2m pretax with brick deliveries running 10 per cent higher on a rationalised base.

The deliveries are still accelerating, with an 18 per cent rise recorded in July. In spite of a 10 per cent increase in production from the beginning of May, the stockpile is being run down at a fast pace.

From 385m bricks at the beginning of the year, stocks are now little over 200m, or six weeks of deliveries. The repercussions are reflected in the interest charge, down from £1m to £230,000. With a cash inflow in the half year of about £10m, London Brick's balance sheet once again displays net cash – of about £7.5m – so the interest line will be positive in the current six months.

The management's new concern must be to keep up with demand. It has about 10 per cent of capacity still in mothballs, but decisions to build new plant or kilns could well be imminent. Even so the severity of the 1981 rationalistion may mean that profits in the current upturn are not maximised.

The outcome this year should exceed £21m, excluding property sales, producing a prospective p/e of about 9, on a 35 per cent tax charge, against about 11 for the industrial group. With this rating adding fuel to the takeover rumours that now surround LB itself, the shares up 2p yesterday at 85p, look a one-way bet.

Novo

Novo shares make expensive Christmas presents. Yesterday's interim figures from the Danish pharmaceuticals group drove the price up another £14½ to £207, consolidating the share's position as the heaviest on the full London market.

As an international group operating from a country with a tiny capital market, Novo embarked early on the course, now being pursued by British companies in the sector, of attracting U.S. investment interest. But it has also supplied an earnings record to support its aggressive investor relations thrust.

Pre-tax profits in the six months to June have risen 52 per cent to DKr 467m. Comparisons are admittedly flattered by the krone's overall depreciation and by the crediting to the revenue account of unrealised book profits on the securities portfolio. But Novo can still claim strong underlying growth in both its main divisions. Enzyme sales are up around 20 per cent, thanks to a pick-up in the detergent market, and this rate of growth can probably be sustained for the foreseeable future. Insulin margins, meanwhile, are being enhanced by the switch towards more profitable monocomponent products.

Hawley Group

The Hawley Group interim figures appeared yesterday in the wake of those for three of its separately quoted UK subsidiaries, all of them consolidated and worth about £4.4m of the group's £5.1m pre-tax profits.

The market therefore acted predictably enough in the absence of any surprise bonuses, clipping 10p off the shares, to 175p, despite the quantum leap in turnover from £16.5m to £51.4m and a tripling of profits.

In looking for £13m or more for the full year, however, most of the City's enthusiastic Hawley watchers remain impressed by the potential of new subsidiaries consolidated since the first half.

While Black and Edgington's tenting and travel operations may add usefully to immediate profits, Hawley's two latest acquisitions in the U.S. constitute a significant development in the nature of the group.

Any move to lift the group's 40 per cent stake in Security Corporation of America up to a controlling interest will make Hawley one of the leading security companies in the U.S. Taken together with Oxford Building Services, it would leave it the single biggest company in the U.S. industrial cleaning sector.

The danger, for all the much vaunted comparisons between Hawley and Hanson Trust, is that the group may be tempted to overstretch its management and balance sheet. The prospects still look as good as ever for its organic expansion, however, with volume growth in its Sharps Bedroom Designs subsidiary, in particular, ensuring profitable margins.

After rights issue proceeds of £25m, this year net cash outlay of about £8m on acquisitions leaves the gearing not much higher than 17 per cent, which will fall again after this year's assets revaluation.

Pearl Assurance

Pearl Assurance has returned better than expected interim figures, with net profits up from £5.2m to £7m. Underwriting losses on its comparatively small general insurance business have been slashed, thanks mainly to the mild winter. This account is now back into net profit so this time it is not acting as a brake on the strong growth in its large life business.

In the new life business, in particular, the company has seen the benefits of the changeover to Miras – the current method of crediting tax relief on house mortgage interest.

Pearl's programme of cutting down on a top heavy branch network re-orientating an inherently conservative field force is starting to show results. Life new business growth is coming from larger policies, with lower unit expenses, rather than from larger numbers of small policies.

The general insurance policies are now being more aggressively priced. This should lead to an acceleration of life profits and a steady contribution from general insurance – over time. The yield is 6 per cent.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday August 25 1983

Richard Lambert analyses Wall Street's response to the London Stock Exchange's deal with the UK Government

U.S. investment banks lay plans to squeeze City

A NUMBER of leading Wall Street investment banks are substantially expanding their London operations. Several, however, have expressed surprise and disappointment at the London Stock Exchange's recent deal with the UK Government, which means that they will not have open access to the London stock market.

But most believe that this agreement will not last, and are in any event set on a course of action which could squeeze both the stock broking and merchant banking community in London.

The investment banks are already major players in the Eurobond market, a business in which London securities firms have a negligible presence. They have taken a substantial share of the vastly increased flow of European investment into securities in recent years. And now they are moving into other activities, like international mergers and acquisitions, foreign exchange, and the trading of non-dollar securities.

According to Mr Thomas Strauss, a managing director of Salomon Brothers, the most obvious explanation for this growing presence in London is that the Eurobond market has become increasingly intertwined with the U.S. capital market, and the strength of the dollar has created a demand for dollar denominated securities on a broader basis overseas.

Salomon's Euromarket underwritings last year exceeded its domestic volume for the first time. The firm sees its London office as a small version of its Wall Street operation, which means among other things that it is an active market maker in non-dollar equities – mainly Japanese – and in gilts.

Morgan Guaranty is also putting substantially greater resources behind its London merchant bank, which it established in 1979 and which now ranks among the top half dozen Eurobond underwriters.

Mr Roberto Mendoza, a senior vice president of their funding services group, says that the increasing complexity of client financing is giving an advantage to firms with a broad range of capabilities, and with enough capital to cope with the growing volatility of financial markets.

On the equity trading side, Merrill Lynch has established a strong position as a market maker in gold shares. Goldman Sachs is also active in this area, has a strong position in Japanese securities, and is developing markets in the more heavily capitalised European stocks.

Mr John Whitehead, Goldman's co-chairman, has made no secret of his firm's ambition over time to be as important in each of the countries where it does business as it already is in the U.S.

"We see it as a big profit opportunity," he says. „We see that the kind of sophisticated financial services that we now offer in the U.S. are somehow rarer elsewhere around the world. We see that in many areas the competition is less intense, and we see that these services are readily marketable."

Other firms have similar goals. Mr Geoffrey Elliott, a former managing director of S.G. Warburg who is now a managing director of Morgan Stanley, says that his firm has for many years been an investment bank with an important international business. "What we have now become is an important international investment bank."

Merrill Lynch has recently integrated its main international units into its capital markets group to recognise the increasingly global nature of the financing and trading markets. Around three years ago, it flirted with the idea of buying a London merchant bank, and although that came to nothing, Merrill Lynch says the experience has not changed its attitude towards international diversification.

One sign of the times in London came during the recent big takeover bid by BTR for Tilling. The defending camp hired Goldman Sachs, while BTR consulted with Morgan Stanley. Another has been the heavy volume of trading recently in UK shares like ICI and Glaxo in the form of American depository receipts. When U.S. investors want UK equities, it seems they are at least as likely to go to the American stock exchange as they are to Throgmorton Street.

Mr Elliott says that Morgan Stanley will not be competing directly with the London merchant banks in the mainstream of their business. All the same, the firm is becoming increasingly active out of London in the more complex kind of financing transaction – such as interest rate and currency swaps – and expects to increase its headcount there during the next couple of years from around 140 to more than 200.

One leading investment banker sums up the attitudes of many of his colleagues: "It's somewhat inconsistent to promote The City of London as the European centre for all capital markets, and then restrict your own domestic market." Another common view is that the separation of jobbers and brokers cannot be maintained.

Lehman Brothers Kuhn Loeb is also on the recruiting trail. It had a bad time in the Eurobond business in the late 1970s, and its London office had been cut back to about 30 people by the end of 1981.

Its numbers are now up to around 100, and in recent weeks it has taken on a number of people in London and New York who specialise in trading non-dollar equities as principals. Mr Stephen Bershad, the partner in charge of international operations, says that it will be developing this activity in London, New York, and Tokyo. "Around the world, we are going to be making markets as principals in international equities – largely yen, but also sterling, guilder and other stocks."

He says Lehman would have been interested in participating in the London Stock Exchange if that had been possible. "I don't believe that whatever is resolved this time around is going to be the final structure of that market," he adds.

Goldman's Mr Whitehead says he is not sure whether his firm would have wanted to move into the London Stock Exchange. "But it would have been an option, and we are disappointed at the decision."

According to another leading banker, "it's somewhat inconsistent to promote The City of London as the European centre for all capital markets, and then restrict your own domestic market." Another common view on Wall Street is that the separation of jobbers and brokers in London cannot be maintained over the long term.

"Why haven't the Europeans taken a position in Japanese market making?" queries Mr Michael Coles, head of international investment banking at Goldman Sachs. "The structure of the U.S. industry is helpful to us. A London broking firm working through the jobbing system doesn't have the risk taking ethic that we have."

The U.S. investment banks have built up substantial capital in recent years. Partners' capital and subordinated liabilities at Goldman Sachs comes to $478m, while Lehman Brothers' capital base has soared from a low of around $15m in the early 1970s to well over $200m. Firms like this are now aggressively expoiting their capital base to get more business.

Of course this is not the first time the U.S. financial community has tried to break into the traditional preserves of London's merchant banks. Most of the big money centre banks, with the exception of Morgan Guaranty, set up London merchant banking operations in the mid-1970s and several tried to expand into areas such as the issuing business and domestic mergers and acquisitions.

Several of these ventures lost substantial sums of money and dented the reputations of their parents. In several cases new capital had to be injected after local management ran up big losses in sectors such as the UK property market. Most of the merchant banking operations owned by the big U.S. banks have been restructured in recent years and are far less independent than was the case when they were first set up. Their emphasis has also been switched more to international business, as opposed to the domestic UK market.

However, this time the invasion of the UK financial markets is being led by the U.S. investment banking community.

U.S. Shoe profits increase by 65%

By Terry Byland in New York

THE GATHERING pace of the upturn in U.S. consumer spending was indicated yesterday in the announcement of a 65 per cent jump to $13.4m in the second quarter earnings at U.S. Shoe, the Cincinnati-based footwear and clothing retailer. Sales also accelerated in the second quarter to show a 22 per cent gain to $350.6m.

For the first half year, U.S. Shoe is showing a gain of 45 per cent to $24.8m in net earnings on sales 21 per cent ahead at $669.1m.

The Board commented that profits had been boosted by higher sales and earnings from footwear operations and a "share gain" at the speciality retailing operations, both measured against depressed trading conditions in 1982.

Despite the difficult trading in consumer markets over the past two years, U.S. Shoes has reported successive record annual profits since 1977. The gain in sales and earnings in the first half year indicates that the group is above target levels.

International Thomson up in first half

By Our Financial Staff

BUILDING on good first quarter gains, International Thomson has produced a sharp rise in net profits for the first six months of 1983.

Trading in both the UK and North America has been buoyant, and net income for the half year emerges at £26.6m ($40.4m), against £16.5m. First quarter earnings rose to £5.6m from £3.7m.

In the UK, profits from North Sea trading have continued to run ahead of budget, Thomson travel profits are significantly higher and the group's regional press operations have started to benefit from recent cost cutting.

In North America, the company stresses that its information and publishing operations are showing a major increase. The recently acquired American Banker and Bond Buyer magazines are performing strongly.

Travel business in the U.S. has improved, although on the West Coast the company's travel side continues to lose money.

Billerud buys 49% stake in Dürbeck

By Our Stockholm Correspondent

BILLERUD, the Swedish pulp, paper and packaging group, has announced it will acquire a 49 per cent interest in the manufacturing plant of Walter Dürbeck, a private West German paper and plastic sack company, for an unspecified sum.

The company is expanding its presence on the German market as a supplier of raw materials, said Mr Gunnar Haglund, Billerud finance director, and needs a foot in the door of manufacturing.

Billerud's major competitors on the German market, the Swedish companies Korsne, and Fiske By, have recently made similar moves, he explained.

Earnings decline for SKF at midway

By David Brown in Stockholm

SKF, the Swedish roller bearing and engineering group, has reported a decline in profits before taxes, special items and exchange differences for the first half of 1983 to SKr 270m ($34.7m) from the SKr 404m achieved during the same period last year.

Sales amounted to SKr 8bn, a 9 per cent increase over the half year level in 1982. On the basis of a continued economic upturn in the U.S. and Europe, the group predicts year end results "of the same order" as the SKr 657m reported in 1982.

Despite signs of economic improvement, market demand remained low particularly in the bearings sector. Higher operating costs stemming from idle capacity and short-time work more than offset the sales rise, Operating profit fell from SKr 842m to SKr 705m.

The roller bearings division, which accounts for about three quarters of total group sales, reported a relative drop in volume. However, the group expected that demand upturn – which it already notes in the European car industry for example – would soak up the current product glut and allow it to reopen some production facilities. Bearing sales climbed 12 per cent to SKr 5.9bn, and income was down from SKr 305m to SKr 246m.

The steel division has shown slight profits since March, but heavy losses in the first two months produced a SKr 100m sales drop to SKr 1.2bn from the corresponding level last year.

The division reported a loss of SKr 31m, a slight improvement over the SKr 37m in the first quarter but a decline from the SKr 41m profit achieved during the six months last year.

● Sandvik, the Swedish tool and special steel group has reported a pre-tax loss of SKr 54m for the first half of 1983, compared with a profit of SKr 90m during the same period last year. Sales grew 4 per cent to SKr 4.9bn.

The decline is entirely due to unexpected exchange losses of SKr 218m incurred by a top executive and discovered two weeks ago after an internal audit.

Most of the losses, SKr 158m, have been charged against the six months' results together with non-recurring restructuring costs of SKr 115m. A further SKr 60m will be charged against the full year's figures.

Strong advance in Norsk Data turnover

BY FAY GJESTER IN OSLO

NORSK DATA, the Norwegian computer manufacturer, achieved sharply increased turnover and profits in the first half of 1983, compared with the same period last year. As in earlier years, however, the company expects sales and profits to be even higher in the current half of the year than in January-June.

First half pre-tax profits almost doubled to NKr 24.7m, C$3,35m from NKr 12.7m in the first half of 1982 and NKr 70.4m for the whole of last year. Total operating income was NKr 309.6m, against NKr 256m – and NKr 611.2m in the whole of 1982.

Orders booked in the six months – for hardware, software and maintenance – were worth NKr 378m, 42 per cent up.

The company attributes the good results mainly to higher margins and lower financial costs. There has been keen demand for its 32 bit computer, the ND500, particularly in the UK and the U.S.

At the same time, however, it has been developing software which has helped boost sales of its 16 bit model, the ND100. Although its market share has been growing in Norway, the most marked increase in sales has been in export markets, primarily in Sweden, the UK and U.S.

A successful sale issue in the U.S. helped increase equity to NKr 644m at end June from NKr 266m six months earlier. Total assets rose to NKr 1.03bn from NKr 628m.

Group liquidity is described as "very good," with bank deposits and short term receivables totalling NKr 610m at end June this year.

The company is quoted on the Oslo, Stockholm, London and New York stock markets.

Volvo set to lift output

BY WALTER ELLIS IN AMSTERDAM

VOLVO CAR, the Dutch state-owned auto manufacturer, expects to have produced more than 100,000 cars between January and December this year – an increase of 10 per cent on 1982 and enough, it is thought, to take the company out of the red for the first time in several years.

In 1982, Volvo lost nearly Fl 15m ($5.1m), following a deficit of Fl 29m in 1981. This year, however, Volvo of Sweden, with which the Dutch company shares its marketing, and the government in The Hague came up with a package worth Fl 618m to help it develop a new saloon model.

The aid, to be paid in two instalments, represents a considerable vote of confidence in Volvo's ability to compete with the major carmakers of Europe and Japan and has already brought about a slight increase in the workforce, in Eindhoven, to 5,640.

Yesterday Volvo Car introduced the latest version of its highly successful 300 series – a sedan which it feels will complete the 300 model range.

Toyota's income at $823m

TOKYO – Toyota Motor Corporation announced yesterday that its unconsolidated net income for the year to June 30 totalled Y201.4bn ($823.6m).

Direct year-earlier comparisons were not possible, because the figures covered the first year of operation of the company formed on July 1, 1982 through the merger of Toyota Motor, the manufacturing arm of the world's second-largest auto group, and Toyota Motor Sales, its sales arm.

A year earlier, Toyota Motor alone had reported unconsolidated net income of Y141.6bn and sales of Y3,849bn.

Earnings per share for the new company came to Y83.27, on sales of Y4,893bn. In the previous year Toyota Motor alone had posted earnings per share of Y70.33 yen.

Toyota Motor has announced a total final dividend of Y8 a share, including a Y1 commemmorative dividend celebrating the merger of the concern's two predecessors.

A year earlier, Toyota Motor had paid a final dividend of Y7 a share, while Toyota Motor Sales paid a final dividend for its fiscal year ended March 31 of Y5.5 a share.

For the current year Toyota Motor expects parent company pre-tax profits for the year ending June 30 1984 to exceed Y400bn.

● Toyota Motor and Fumitsu Ten of Japan claim to have jointly developed the world's first digital audio disc player for use in cars and plan to put it on sale on the domestic market later this year.

Agencies

Harnischfeger cuts third-quarter loss

BY OUR NEW YORK CORRESPONDENT

HARNISCHFEGER, the Milwaukee manufacturer of mining and earth moving equipment in which Kobe Steel of Japan has a 10 per cent stake, halved its losses in the third quarter and hopes to improve results substantially in the last quarter.

Last year the group suffered a deficit of $76.5m as its capital equipment markets continued to report depresses trading conditions.

For the first nine months of this year, Harnischfeger has turned in net losses of $35.2m or $3.53 a share against a loss of $18.8m or $1.30 a share.

The three months to July 31 brought a loss of $8.7m or 87 cents a share against $13.9m or $1.39 a share in the last comparable quarter. Revenue for the quarter eased from $96.3m to $86.3m.

Mr Henry Harnischfeger, the chairman, said that the general improvement in U.S. industrial output is starting to translate into orders for the group's materials handling equipment and automatic systems divisions.

Harnischfeger, which takes one-third of its sales from materials handling, another third from the construction industry, and the remainder from the mining and electrical sectors, agreed in July on a restructuring plan for its $143m debt and a further $32.5m debt at its finance subsidiary.

Luxury Italian hotel chain boosts revenue

By Rupert Cornwell in Rome

CIGA Hotels, the luxury Italian hotel chain controlled by the financier Sig Orazio Bagnasco, has reported a substantial rise in first half revenue to L81bn ($51.8m) from L58bn in the same period of 1982.

Assuming that something like this 38 per cent growth in turnover is maintained in the second part of 1983, the prospects are good that Ciga will achieve a considerable growth in profits, after the L225m of 1982 on sales of L112bn.

Major new developments are expected this autumn. Ciga has indicated that it is close to announcing an important franchising arrangement in the U.S. A considerable refurnishing programme at some of its main hotels in Italy is in progress.

Belgian arms group set to slide into red

BY PAUL CHEESERIGHT IN BRUSSELS

FABRIQUE Nationale Herstal (FN), the major Belgian arms manufacturer, faced difficult trading conditions during 1982 and directors doubt the company will return a profit for the current 12 months.

Shareholders will receive no dividend for 1982, when the Belgian side of the business recorded a sharp drop in profits to BFr 8m ($153,846) from BFr 102m in 1981. Worldwide the FN group had a consolidated loss of BFr 116.9m after profits in 1981 of BRr 120.8m.

Lack of profitability prevents the group from calling on the shareholders for more funds says Mr Andre Dubuisson, the company's president. In recent months there has been a procession of Belgian companies making share issues to take advantage of the tax concession granted by the Government to encourage capital raising.

FN ran into severe difficulties in the second half of last year and prospects have stayed lean for the greater part of its business this year.

On an international basis, 38 per cent of FN business is in armaments, where its speciality is light weapons, 34 per cent is in aeronautics, largely the manufacture of Pratt and Whitney engines for F-16 fighter aircraft, and 26 per cent is in sports goods. The centrepiece of its sports activities is the Browning company, well-known for its hunting weapons.

But last year, out of total group turnover of BFr 28.8bn, nearly BFr 23bn came from the Belgian end of the business – 46 per cent on armaments, 41 per cent on aeronautics and 10 per cent on leisure goods.

This year the armaments and aeronautics side is running under capacity, although Browning should have a better year. The pick-up at Browning in the U.S. started early in the year, slackened in April and the resumed again in May.

Arms orders started dropping off in the second half of 1982 and the trend was confirmed in the first half of this year.

Aero-engine manufacture remains caught in the doldrums of the aviation industry generally. Although the Belgian Government is to buy 44 new F-16 fighters for which FN will make the F-100 engine, the benefits of that will not show up in the group's figures this year.

Deliveries of F-100 engines this year have in any case been put back by the necessity to make a small technical modification decided by Pratt and Whitney.

The lower level of orders has meant that FN has had to increase part-time working, which has resulted in a fall of productivity, executives explained. At the same time it has been forced to carry a high level of stocks.

The annual report shows that stocks were valued at BFr 11.2bn at the end of last year, slightly lower than the BFr 11.8bn registered at the end of 1981. But there has been an increase in the first half of this year, partly as a result of the F-100 engine changes.

By the end of the year, according to Mr Michael Vanderstrick, the managing director, it is hoped to reduce stock levels by some BFr 500m from the end 1982 figure.

Problems have been compounded by invoicing difficulties following reluctance of some customers to take delivery. This meant that revenue coming in this year could, by the end of June, be 20 per cent below budget.

Internal studies at FN suggest the problem should be overcome towards the end of 1983 so that Belgian turnover could exceed BFr 23bn for the whole of this year. The budgeted target is BFr 23.8bn.

The difficulties in the traditional part of the FN business have forced the group to rein back on diversification, although BFr 600m, 36 per cent less than in 1982, will be spent on plant modernisation and industrial investment this year.

The diversification programme has in any case cost more than FN predicted. FN Manufacturing, a U.S. unit, hit production problems with machine gun production, and LERC in France has found it difficult to make an early success of fishing rod manufacture.

But financially, the group's position has been shored up by a subordinated loan of BFr 500m from Société Génerale de Belgique, the country's major financial holding company, which is the biggest shareholder in the group with 24.9 per cent.

Total debt had reached BFr 21.8bn at the end of 1982, BFr 728m more than a year before. Financial charges weigh heavily on the Belgian company – they were BFr 1.4bn last year, or the equivalent of 6.2 per cent of turnover. In 1977-78, financial charges represented 2.6 per cent of turnover.

No radical improvement in the group's fortunes can be expected until the international economy turns up. Over 80 per cent of its business is outside the EEC.

INTL. COMPANIES & FINANCE

Further growth at Liberty Life in first six months

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S largest quoted life assurance company, Liberty Life, has maintained its strong growth record in the six months ended June 30 1983.

Premium income was R207.6m ($185.8m) against R173.7m in the first half of 1982. Net taxed profit from life assurance operations rose to R14.2m from R12m in the first half of last year.

For all 1982 the company had premium income, net of reinsurance, of R333m and a taxed profit from life assurance operations of R28.3m.

Mr Donald Gordon, the chairman, says that during the first six months of this year new annualised premiums rose by 24.7 per cent to a record R45.9m. This, he says, compares with the previous record of R36.8m achieved in the first half of 1982.

In recent weeks, following the acquisition of SA Breweries by the Premier Group, which Liberty helped to bring about, the assurance company appears to have been moving towards the Anglo-American sphere of corporate influence. The companies concerned will neither confirm nor deny speculation that an eventual merger is planned between Liberty and Anglo's life assurance subsidiary, Anglo American Life. Such a merger would result in an insurance grouping whose size would match the country's two largest insurance companies, Old Mutual and SanLam.

Another rumour doing the rounds of the Johannesburg stock exchange is that Liberty is to acquire control of Standard Bank Investment Corp (Stanbic) from Standard Chartered of the UK.

The interim dividend has been increased to 86 cents a share from 72 cents while first-half earnings rose to 119.3 cents a share from 99.1 cents. Last year's total earnings were 238.5 cents from which total dividends of 172 cents a share were paid.

Mitsukoshi plans store sale to reduce debt

By Yoko Shibata in Tokyo

MITSUKOSHI, Japan's most prestigious department store operator, has decided to sell one of its key branches in order to reduce debts. Last week the company reported a larger-than-expected interim pre-tax loss of Y3.5bn ($14.4m), passed its mid-term dividend, and said that sales are currently 10 per cent down on last year's level.

The branch to be sold is in Kobe, a major industrial city in the south of the country. Set up in 1925 and with a sales floor area of almost 9,500 sq metres, the branch has been in difficulties for some time. In the year to March its sales fell by 14.6 per cent to Y8.5bn, leading to an operating loss of Y6.2bn.

The sale, to Hasegawa Komuten, a leading property developer, is due to take place by the end of next February. Mitsukoshi is clearly hoping to use the revenues generated to cover the Kobe store's accumulated debts of Y7bn.

With disposable incomes in Japan having remained static for almost three years, Mitsukoshi is having to reconsider its sales strategy as consumer demand moves away from goods towards leisure and services. A scandal involving the former president of the company Mr Shigeru Okada, has also damaged its reputation.

Mitsukoshi is now urgently considering sweeping changes to the way its stores are run and has been obliged to place management efficiency ahead of status. The company is a member of the Mitsui group and was founded in the 1870s.

Alcan to resume NSW potline project

ALCAN AUSTRALIA is to go ahead with the construction of a third 45,000 tonne a year capacity potline at its Kurri-Kurri, New South Wales, aluminium smelter, reports Reuter from Sydney.

Work on the A$200 (US$177.7m) potline is expected to start up by the end of this year and production should begin towards the end of 1984.

Alcan recently said it was re-examining the mothballed project on which it deferred construction in April 1982 because of the downturn in world aluminium demand. Alcan is 70 per cent owned by Alcan Aluminium of Canada.

Date fixed for Trust Bank lifeboat loan repayment

BY OUR JOHANNESBURG CORRESPONDENT

TRUST BANK, South Africa's fifth largest banking group, appears to be gaining confidence and the present management, which was brought in to save the bank from collapse six years ago, has for the first time partially disclosed the bank's true performance.

In the year ended June, Trust increased profits before transfers to inner reserves by 59 per cent. The precise figure is not revealed, but disclosed income after transfers to inner reserves and before preference dividends rose by 24 per cent to R37.3m ($33.4m).

The date fixed for final repayment of the lifeboat loan extended by the South African Reserve Bank six years ago has been set for March 1985. Once this is repaid in full the bank will be able to resume dividend payments.

Mr Chris Van Wyk, the managing director, says that the first dividend due to be declared at the June 30 1985 year-end will be conservative. Trust, he says, has sold a sufficiently large part of its troubled property portfolio and increased its capital base to such an exent that the property exposure is now a relatively unimportant part of total assets. He adds that the capital base is now more than adequate.

Assets almost doubled at Bahrain OBU

BY MARY FRINGS IN BAHRAIN

BAHRAIN MIDDLE EAST Bank (BMB) which started operations as an offshore banking unit (OBU) earlier this year, has reported an almost doubling of total assets at the end of the first half of 1983, to U.S.$207m from $123m at the end of 1982. Paid-up capital, retained earnings and reserves amounted to $117m.

Investments shown at just over $9m include BMB's 25 per cent shareholding in Gulf Guarantee Trust, a small London deposit-taker but the acquisition last year of 11 per cent of Grindlays Holdings, for some £10m no longer appears on BMB's books.

The bank was unable to ratify the transaction under Bahraini laws as the purchase was made prior to its date of incorporation and the investment has been deemed to have been made by certain directors of the bank in their personal capacities.

● Consolidated net earnings at the National Bank of Bahrain (including its offshore banking unit and a branch in Abu Dhabi) amounted to BD 6.1m ($16.2m) up 19.2 per cent on the June 1982 result and compared with BD 11.4m for all of 1982.

Total assets (excluding contra items) have risen by 19 per cent to BD 531m since end 1982. Loans, advances and overdrafts increased by 10 per cent to BD 199m.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremer Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 8.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account=9.15%. Effective annual rate=9.54%.

KCA Drilling lower midterm

A fall in interim taxable profits from £3.64m to £3.29m, on lower turnover of £19.41m against £21.02m, is reported by the KCA Drilling Group, drilling contractor.

Tax for the six months to the end of June 1983 took £1.27m (1.85m) to leave £2.02m (1.79m). There was an extraordinary debit last time of £241,000, and earnings per share before this are given as 2.518p compared with 2.231p.

The group's worldwide drilling activities continued at a satisfactory level during the period, say the directors, and the new North Sea platform rig was successfully mobilised and began contributing to revenue from May.

In August KCA International agreed to sell its 75 per cent holding in KCA Drilling to Rosshold, a private company owned by six of the group's executives. Rosshold will make an offer for the remaining 25 per cent at 37p per share.

To reduce expenses of the proposals the group intends to effect a capital reconstruction, subject to approval at an EGM convened for September 16. At the meeting shareholders will be asked to approve payment of an interim dividend of 1.5p net, payable on the new ordinary of 1p, to be allotted by way of a bonus issue in respect of the current financial year.

Webber Electro higher midway: £0.5m rights

Electrical component manufacturer Webber Electro Components has announced higher half year pre-tax profits of £153,590, against £103,541, and plans to raise £518,143 gross via a rights issue on a one-for-seven basis at 180p per share.

In the six months to March 31 1983 turnover increased to £636,945 (£460,349) and trading profits were £150,252 against £97,765, with the pre-tax result struck after interest receivable of £3,338 (£5,776).

The interim dividend is maintained at 1.75p and the directors expect to hold the final at 1.75p net on the enlarged capital.

They say that exports have increased significantly as a percentage of sales, adding that the company has decided to diversify over the next two years into design and manufacture of electronic controls associated with the installation of solenoid valves.

The improved trading conditions have continued to date.

Yearlings at £17m

Yearling bonds totalling £17m at 10⅞ per cent redeemable on August 29 1984 have been issued this week by the following local authorities:

Cheltenham Borough Council £0.5m; Dumfermline District Council £0.5m; Tyne and Wear County Council £1m; Aberonwy Borough Council £0.5m; Newham (London Borough of) £2m; Ogwr Borough Council £0.25m; Taff Ely Borough Council £0.5m; Chesterfield (Borough of) £0.5m; Lambeth (London Borough of) £1m; Southwark (London Borough of) £2m; Buckinghamshire County Council £1m; Gillingham Borough Council £0.5m; Hart District Council £0.25m; Scarborough Borough Council £0.5m; Dudley Metropolitan Borough Council £1m; Islington (London Borough of) £2m; Cleveland County Council £1m.,

Pearl Assurance climbs to £7m at six months

HIGHER PROFITS from all life assurance operations, together with improved investment income and lower underwriting losses on general insurance, resulted in net profits of Pearl Assurance climbing by one-third in the first half of this year from £5.24m to £7.01m.

The net interim dividend is lifted from 9.5p to 12p, but the company states that part of this increase is intended to re-establish a more even distribution of dividends over the year. However, the directors are forecasting a final dividend of not less than last year's final of 18p.

On the various life assurance operations, the profit contribution from the industrial branch is lifted 24 per cent to £2.82m, while the ordinary branch chips in with a near 20 per cent rise to £3.2m. The linked life subsidiaries are following their first contribution to profits made last year with an interim dividend of £250,000.

Underwriting losses in the general branch were cut from £5.64m to £3.65m with premium income rising 11 per cent to £36.70m. Investment income improved marginally from £4.19m to £4.35m, so that a pre-tax profit of £700,000 was achieved in the period compared with a £1.45m loss for the first half of last year. The after tax profit amounted to £570,000 against a loss of £630,000 last year.

The better weather this past winter resulted in a fall in the number of weather claims and led to underwriting losses decreasing from £4.74m to £2.69m. Losses on the property account, which accounts for three quarters of the UK portfolio, dropped from £3.34m to £1.64m, most of which came from theft losses on contents. The loss in the motor account was significantly lower at £540,000 against £860,000 even though the company has not increased motor insurance premiums since October 1981.

Underwriting losses on overseas business and reinsurance rose slightly from £900,000 to £960,000.

The company had a successful half year for new life business. The industrial branch showed a 17 per cent rise in new annual premiums from £13.70m to £16.02m, compared with a rise of only 3.2 per cent, though the first half sales last year of the company were depressed during a period of reorganisation.

But the growth in ordinary branch new business has been spectacular, with new annual premiums more than doubling from £5.58m to £11.94m.

The company has benefited from the changeover to MIRAS the new method of granting tax relief on house mortgage interest, even though it was not on the panel of any special building society scheme. New annual premiums on sales of the reinforced Endowment Assurance contract jumped from just under £1m to £7.4m, though this includes contracts connected with the company's own house purchase scheme and some business not connected with house purchase.

Elsewhere in the ordinary branch, new annual premiums on self-employed pensions climbed 20 per cent to £1.5m. Single premium business was slightly higher at £8.36m against £8.25m.

Unit-linked business was patchy over the period, with single premiums climbing nearly two-thirds from £1.95m to £3.15m. but new annual premiums slipped nearly 14 per cent from £2.83m to £2.46m.

The company points out that concentration on MIRAS has led to a reduction in linked business.

See Lex

Floyd Oil rights to raise £3m

Floyd Oil Participations is raising £3.03m net by way of a rights issue of 3.8m ordinary 10p shares on the basis of two new shares at 82p each for every seven ordinary shares, founders shares or subscription warrants held on August 12.

Following the announcement, Floyd's shares, which are traded on the Unlisted Securities Market, fell 10p to 93p. The issue, the company's third since its formation in 1979, is chiefly to finance oil exploration in the East Midlands, where it holds a 25 per cent stake in 12 production licences totalling about 620,000 acres. The licences are jointly held with British Petroleum, British Gas and Candecca.

The consortium plans to drill 25 wells, the first of which it sank last spring. Three failed to show the presence of oil in commercial quantities, but the fourth, at Farleys Wood, flowed at an initial rate of 1,000 barrels per day (bpd).

Floyds says it is too early to predict long-term flow rates, but the well is currently producing 200 bpd through a variable choke.

The company also holds a 50 per cent interest with Candecca in four exploration licences covering nearly 400,000 acres on the edge of the Wash.

Mr J. F. K. Floyd, group chairman, said yesterday: "Floyd Oil's onshore programme in the UK, the success of which to date is evidenced by recent developments at Farleys Wood, will require additional funds over the next two years to carry out the extensive exploratory seismic surveys and drilling necessary for further evaluation of its East Midlands and Wash licence interests."

The directors estimate that turnover for the year to June 1983 will rise from £120,246 to £350,000, while pre-tax profits will decline from £99,528 to £55,000. The decrease is after an £80,000 loss due to the disposal of a North American well. Profits before tax for the six months to December 1982 were £58,629 against losses of £55,540.

● comment

As an embryonic young oil company, Floyd makes no apologies for its rocky profits record. It points instead to a steep rise in its share of production income from £48,000 to £350,000 over the past three years, all of which has come from North America. If its hopes for the East Midlands interests turn out as the Farleys Wood well suggests they might, profits could follow a similar path. The geological indications are good, and as its second great asset after the East Midlands licences. Floyd has the former chief geologist of British Gas on the board. In the past, Floyd has used its medium risk ventures across the Atlantic as a bolster against more speculative projects in the UK. So the £80,000 extraordinary loss in respect of a dud well in Wyoming must be a cause for mild concern. It poses the question of whether the group's substantial interests in North America and Australia may lead it to be a little overstretched in the future, even on an ex-rights market capitalisation of £14.5m. However, with on debt and £1m in cash it does not look as if Floyd will be asking for more equity for a couple of years.

Dura Mill

Pre-tax profits of Dura Mill improved from £3.559 to £3,792 for the year to March 31 1983 from turnover ahead at £799,050, compared with £760,857.

The dividend is held at 0.6p net. Earnings amounted to 1.67p per share. This compares with 6.97p, a figure which was inflated by a transfer from deferred tax in respect of past stock relief no longer required, equivalent to 6.16p. Tax took £638 (added £10,391).

Investment trust wound up

BY CLIVE WOLMAN

East of Scotland Investment Managers, the Edinburgh and Aberdeen-based company, has been wound up after a traumatic year in which it had lost control of two investment trusts with combined assets of £70m.

The remaining investment trust to have been managed by the company, the Aberdeen Trust, yesterday appointed Aberdeen Fund Managers, reconstituted from the Aberdeen wing of East of Scotland Investment Managers, to manage its £90m portfolio. Aberdeen Fund Managers, in addition, will manage about £5m of private client funds.

Aberdeen Fund Managers has severed its administrative links with Aberdeen solicitors, Brander and Cruickshank, who have sold their 50 per cent stake in the company. Aberdeen Trust has taken a 51 per cent holding in AFM; the remaining shares are now held by the three executive directors.

Mr George Robb, one of the executives, said yesterday: "Investment management has become a highly specialised activity. We felt it was no longer right that an investment trust should be managed out of a solicitors' office."

The only other Aberdeen-based investment trust, Scottish Northern, is believed to be one of the few remaining investment trusts which is managed from a solicitors' or occountants' office.

The reconstruction brings to an end a period of upheaval in the previously dormant Scottish investment trust sector. Earlier this year, East of Scotland Investment Managers lost control of the Dominion and General Trust, whose transformation into a unit trust was completed on Monday. In May, it surrendered the management of the Pentland Investment Trust after losing narrowly a bitter takeover battle with the City-based Throgmorton Trust.

Hawley at £5.1m and raises payout

FOR THE six months to the end of June 1983 Hawley Group has produced pre-tax profits of £5.1m on turnover of £51.37m. In the comparable period the taxable surplus amounted to £1.66m, and turnover came to £16.5m. The net interim dividend has been lifted from 1.2p to 1.32p.

In the last full year pre-tax profits stood at £5.35m. The directors point out that figures for 1982 have been restated to reflect the demerger of the group's amusement division into Ruffler and Deith Holdings.

Trading conditions during the period have been generally good and continue to be so, say the directors. A more than satisfactory outcome for the year as a whole is therefore expected. The group is now centred on the three activities of security services, janitorial maintenance and home improvements, all of which can be described as having above average growth potential.

In the last two years the group has spent, or contracted to spend, approximately £60m on acquisitions within the U.S. and as a consequence, about 50 per cent of current pre-tax profits are from that country. Of the group's 25,000 employees, some 11,000 are in the U.S. Subject to future opportunities, it is hoped that the 50/50 split between the UK and the U.S. will be maintained.

Earnings per 25p share are shown as rising from 2.3p to 5.2p after allowing for a rights issue last May.

Tax took more at £1.3m against £224,000. Minority interests rose from £459,000 to £1.48m, leaving the attributable balance ahead from £980,000 to £2.32m. Preference dividends absorb more at £92,000 (£65,000) and ordinary payments will take £690,000 compared with £461,000.

Mr Michael Ashcroft, chairman of Hawley, yesterday revealed that he has bought a 9.9 per cent stake in I. D. and S. Rivlin, a small household textiles and kitchen and bathroom furniture supplier recently floated on the Unlisted Securities Market.

The deal was announced in tandem with a similar purchase by Mr David Wickins' British Car Auctions group. Each stake—of 400,000 shares—was thought to be worth about £200,000.

Rivlin has since 1978 seen its turnover fall from more than £10m to just £1.2m in 1982. It made losses throughout that period, widening to £325,000 in 1982. Throughout this period its shares were suspended at 13p.

After a major shakeup of the company's operations, it was launched in April this year on the USM, and has since seen its shares—floated at around 18p—rise to 70p. News yesterday of the Hawley acquisition lifted the shares still further. They rose 5p to end the day at 75p.

Mr Ashcroft said he was looking at the stake as an investment at the moment. There was nevertheless an interesting overlap between the operations of Morgan Edwards, the Rivlin subsidiary which fits kitchen and bathroom furnishings, and those of Sharps Bedroom Design, a company owned by Kean and Scott, a major Hawley subsidiary.

The Rivlin stakes were bought from Mr M. A. Sagrani, and Imperial Group Pension Funds, who continue to own 505,000 shares and 268,000 shares respectively. With Hawley and British Car Auctions, these shareholders own an aggregate of 39 per cent of Rivlin's shares.

See Lex

Slough Estates improves and further growth seen

PROFITS of property developer Slough Estates rose to £9.09m pre-tax for the six months ended June 30 1983, an improvement of £1.84m over the figures returned for the same period last year, and the directors say they remain confident that further profit growth will be reported for the full 12 months.

First-half earnings amounted to 3.39p (3.23p) per 25p share and the net interim dividend is being stepped up from 1.25p to 1.525p—a final of 2.075p was paid for the 1982 year.

Mr Nigel Mobbs, the chairman, says the group is actively pursuing new development opportunities both in the UK and overseas markets. He believes that there are good opportunities available if a careful assessment is made of locations with specific qualities.

Some of the projects being undertaken will be added to the portfolio but others will be sold on completion to contribute to future group profits.

Mr Mobbs says leasing activity in the UK has shown some improvement over last year and reveals that overseas, substantial new lettings have been made in a number of markets but in other cases leases have not been renewed.

First half tax took £2.7m (£1.2m) to leave net profits of £6.39m, compared with £6.05m previously. Taxable profits for the 1982 year totalled £16.17m.

● comment

The share price of Slough Estates has been rising steadily since chairman Nigel Mobbs gave encouraging comments about improving confidence in the annual report. The interim figures yesterday duly revealed a very solid 26 per cent growth in pre-tax profits, though the share price closed just 1p down at 102p. The news of the reduction in the industrial vacancy rate was heartening, though the rate is not likely to drop much more this year. Slough seems comfortably on its way to profits for the year of around £19m. The company has consistently underperformed the property sector over the past three years and at 102p the shares give a prospective yield of 5.4 per cent and offer a discount to net asset value of 42 per cent. The share price has come up from a low of 88p this year but at its present level appears to still have some way to go. Slough is negotiating for some new sites which will increase the unusually low land carrying costs of £514,000. New sites will include land along the expanding M25 corridor.

Philip Harris

Progress during the first four months has reached or surpassed budgeted expectations for all companies at Philip Harris (Holdings), Mr B. J. F. Haller, chairman told members at the annual meeting.

D. Crouch drops to £177,000

DESPITE A £254,000 drop in interest charges to £660,000 pre-tax profits of Derek Crouch fell from £414,000 to £177,000 for the first six months of 1983.

The dividend, however, is maintained at 1.63p net—earnings emerged at 2.29p (1.68p) per 20p share after deducting tax of £98,000 (£194,000) and adding minorities of £206,000 (£10,000 debit).

Turnover for the period was little changed at £28.83m (£28.77m). The group has interests in opencast mining, earth moving, civil engineering and building construction.

On the construction side, Crouch is continuing its search for more opportunities in private development areas, reducing total reliance on work in the public sector.

Claims and final accounts are still proving extremely difficult to progress and finalise—claims are only taken into account when agreed. As yet, the directors say, there are no signs of an upturn in the construction industry.

They add that opencast mining in the UK is still profitable, but at a reduced level. In the U.S., coal markets are also suffering from the world surplus and Power Inc, the company set up in the U.S. five years ago, incurred a loss after interest.

The group has now taken complete control of Power Inc with effect from July 18 by buying out, for a nominal sum, the 40 per cent minority interest held by the two American fuel distribution companies who partnered Crouch in setting up the venture in 1978.

● comment

Prospects for Derek Crouch appear very uncertain though the directors insist that the company is sound and that cash flow is strong and positive to see them through these difficult times. As a sign of their confidence they are soldiering on paying a maintained net dividend of 1.63p though profits have more than halved to £177,000 at the interim. Still, the market was disappointed and the shares closed 7p down at the year's low of 68p. That gives a generous yield of 10.8 per cent which might be enough to prop up the share price. The market capitalisation is now only £8.47m. The attempt to stem losses in UK construction by moving into private sector building is moving slowly with still just the one sizeable £3m development in Aberdeen. The labour force has been reduced to 1,400 from a peak two or three years ago of 2,300 and no further rationalisation is planned at present. There is little sign of a lifting of the contractual restrictions which are limiting profits from the UK opencast mining whilst the now wholly owned U.S. company Power Inc has managed to maintain its market share only by squeezing margins and so increasing losses. There is still no indication of any light at the end of the tunnel.

Marginal rise by Blagden Inds.

A MARGINAL increase in pre-tax profits from £1.07m to £1.2m has been shown by Blagden Industries for the 26 weeks to June 26 1983. The net interim dividend has been raised 10 per cent to 3.3p.

The continuing process of structuring the group's present activities to meet future needs is near completion, say the directors, and they do not anticipate further major redundancies. They report signs of recovery in the electroplating operation.

Turnover expanded from £31.67m to £33.03m.

At the trading level profits amounted to £1.43m (£1.39m), including a rise from £984,000 to £1.04m in reconditioned drums and casks, and from £87,000 to £242,000 in plastic mouldings. Plating and transformers, however, produced losses of £239,000 against a previous break-even profit of £1,000. Chemicals moved up from £179,000 to £247,000, and industrial protective equipment was little changed at £140,000 (£139,000).

Without any clear indication of further improvement in the industrial climate, the directors say business has held up well since the end of June and they feel justified in taking the first step towards restoring the dividend to its former level.

Earnings per 25p share were shown as rising from 4.3p to 5.4p.

Pre-tax profits were struck after lower interest costs of £225,000 (£328,000), and last time included associate profits of £4,000.

Tax amounted to £360,000 (£403,000), and minorities took £269,000 (£201,000) while extraordinary items rose from £16,000 to £73,000.

● comment

Like the curate's egg, Blagden's 12.5 per cent increase in pre-tax profits is good in parts. Chemicals and drum reconditioning have moved strongly ahead despite static trading conditions, and the directors feel confident enough to raise the dividend for the first time in three years. In a further sign of confidence, the group is gradually shifting emphasis away from trading towards the more capital intensive — and hence riskier — manufacturing side. This accounts for about 20 per cent of turnover, mainly in chemicals, drums and protective equipment; a figure Blagden hopes to increase to 50 per cent. So far, the net increase in working captal this might entail has been minimal due to the reduction in steel and polymer stocks. The bad bits of the egg include a swing into substantial loss in the plating division, which the group attributes to bad debts and a serious slip over stock valuation, neither of which is likely to be repeated. Although the plastic mouldings division nearly tripled its profits to £242,000, the rise was from a very low base and looks derisory compared with the £7.5m invested in that business in the past five years. Assuming those problems settle in the second half, £2.5m looks possible for the year. On yesterday's share price unchanged at 106p, that puts Blagedn on a prospective p/e of 6.8, assuming a 30 per cent tax charge.

Rotork little change midway

SALES AND profits of Rotork, for the first half, matched those of 1982 and once again this was almost entirely due to the controls division. The group is engaged in design and manufacture of valve control equipment and machine tools.

During the six months to June 30 1983 sales were £13.1m compared with £12.57m, and profits at the pre-tax level emerged marginally lower at £1.57m against £1.58m.

The group's figures, say the directors, were affected by a loss from the marine side which was sold in June to Moseley (Holdings).

For the second six months first time results of Pneu-Hydraulics, acquired in July, will be included. However, the controls division shows no sign of any upturn in demand for its valve actuators, and its major markets have become more depressed.

To reduce disparity between the interim and final dividend payments the interim has been lifted from 1.35p to 1.75p net per 10p share—last year's total dividend payment was 3.5p.

Tax for the period was the same at £820,000 leaving profits after tax of £750,000 (£760,000). Earnings per share were 3.6p (same).

● comment

Rotork looks unlikely to repeat last year's surprise second half performance, which pushed pre-tax profits for the 12 months up to £4.1m. Given the current depressed state of its major markets for actuators (an automatic valve control mechanism used in pipelines and other fluid conductors) a forecast of £3.1m for the full year would seem appropriate. The company is notably cautious in its predictions for the future and the current order book is not that encouraging. But the longer term looks much brighter. Demand is expected to pick up in the energy business in 1984 coinciding with the arrival of Rotork's new series of actuators on the market. The new series have received favourable technical comment already. The acquisition of Pneu-Hydraulics in July is expected to contribute at least £250,000 to second half profits. In the longer term the combination of P-H's manufacturing capacity (specialised cable and hoses) with Rotork's overseas marketing operations should increase P-H's contribution to the group. Rotork shares are down 1p to 63 offering a prospective P-E ratio of 8.7, fully-taxed.

Crouch Group faces legal action

Crouch Group has confirmed that it has received a claim for damages from its former chairman Mr Ronald Clempson. In the accounts for the year ending March 31 1983, the company says it "has served a defence and counter claim which will be vigorously pursued."

Mr Clempson failed to keep his seat on the board of the property development and construction company at an extraordinary general meeting held at the beginning of this year at the group's Kingston-upon-Thames, London headquarters.

Mr Clempson had previously been ousted from the chairmanship by his fellow directors after the announcement of the company's first loss since it went public in 1969. The group made a surprise provision of £1.4m to cover potential losses on development projects.

Mr Clempson in a letter to shareholders argued that although the directors had considered it prudent to make a financial provision no actual loss had yet occurred. He said policy changes proposed by the board would restrict the group's expansion and curtail opportunities for profitable trading.

The company says in the accounts that losses "on ordinary activities before taxation" totalled £3.4m in the year to March 31 1983, compared with a profit of £578,000 the previous year.

Arlington Motor

Mr N. C. Housden, chairman of Arlington Motor Holdings addressing shareholders at the annual meeting said, the advance on last year is continuing across the whole spectrum of activities.

He added, that car registrations in August have been exceptional and is confident that shareholders will be satisfied with the year's outcome.

In the fear to March 31 1983 the company produced pre-tax profits of £1.08m

REINSURANCE EXECUTIVE

Major International Lloyd's Brokers

Our clients are a well known publicly quoted firm of International Lloyd's Brokers noted for their integrity and aggressive approach to International Marketing.

They are seeking a top Reinsurance Broker with Management ability to head up their Reinsurance Division on all aspects of Marine and Non Marine Reinsurance.

The candidate would be expected to have proven ability, not only in the marketing of International Reinsurance but also in administration and would be taking over a Department where the staff is in excess of 50 with full power to strengthen the existing team.

It is envisaged that the ideal candidate would work for a period of not less than six months with the present Divisional Managing Director before assuming responsibility. This appointment could lead to a position on the Group Main Board.

Interested candidates should reply with full career details in strictest confidence to:

St. James's Corporate Consulting,
Box FT/814, St. James's House,
4/7 Red Lion Court, Fleet St., London EC4A 3EB.

AMERICAN LAWYER

REQUIRED FOR AN INVESTMENT BANK

Must have a minimum of 10 years experience with a major U.S. law firm, including service in a London branch. Business experience would be helpful. Must be willing to make long-term commitment to living in London and be willing to travel. Salary offered in region of £50,000.00. All applications with full curriculum vitae to:

Box A8261, Financial Times
10 Cannon Street, London EC4P 4BY

FRENCH SPEAKING BROKER

Sales person required to assist marketing of Japanese securities to European clients. Knowledge of Far East and experience in broking preferred but not essential.

Replies in writing to:

Ray Rates
Bache Securities (U.K.) Ltd.
Plantation House, Fenchurch Street
London EC3M 3EP

WANTED, TOP PENSIONS SELLER — A professional & energetic financial service group requires Pension Sales Person to realise untapped potential of existing client register of small businessmen, with continuing access to in excess of 1,000 new leads per annum. Are you an ambitious individual with proven track record to set up and remain responsible for our Pensions Dept.? The right person will persuade us to offer a generous salary package together with company car and other benefits. Please reply to Box A.8253, Financial Times, 10, Cannon Street, London EC4P 4BY.

Senior Financial Analyst

Bank of America, one of the world's largest banks, is seeking a business school graduate or qualified management accountant with at least 5 years business or financial planning experience.

The successful candidate will supervise a small group responsible for management reporting, the development of operating plans and the analysis of financial targets for our Europe, Middle East and Africa Division.

This challenging position, based in Bromley, Kent, offers excellent scope for further career development. A competitive salary will be accompanied by an attractive package of fringe benefits, including low-interest mortgage and non-contributory pension.

Write with full personal, career and salary details to:- Nicola J. Lawrence, Bank of America, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

Senior Executive – Merchant Banking

Domestic and Eurosterling Issues

£20,000-£25,000

A leading City merchant bank, a member of the Accepting Houses Committee, requires a senior executive to assist and deputise for the Manager of the domestic and eurosterling issues department.

This is a new appointment and reflects the growing volume of business being carried out by the bank in this area. The initial task will be to build up and maintain contacts with both borrowers and investors. The intention is that this executive should rapidly develop the capacity to price and manage issues.

The successful applicant is likely to be under 30, probably a graduate, with at least 3 to 5 years' experience in merchant banking, stockbroking, insurance or pension fund management. Thorough knowledge of the fixed interest sterling market and experience in dealing with financial institutions is essential.

Salary indicated is negotiable and could be more for the exceptional candidate. Benefits include car, mortgage interest subsidy, non-contributory pension, free BUPA and assistance with re-location costs, where appropriate.

Please write – in confidence – with full career details stating how the requirements are met to David Bennell ref. B. 43734.

This appointment is open to men and women.

MSL

United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.

Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

P. S. Refson & Co. Limited

SENIOR LENDING OFFICER

P. S. Refson & Co. Limited is seeking a very experienced banker for an important role in its risk asset management.

Applicants for this appointment will have had a minimum of ten years' relevant experience. They will be professionally qualified, in their late thirties or early forties and demonstrate clear board potential. Emphasis will be placed on proven ability to make perceptive and sound judgments in a demanding environment.

Experience in the financing of international trade and readiness to travel at short notice are prerequisites.

Salary and benefits will satisfy the most ambitious.

Please write fully to:

The Managing Director,
P. S. Refson & Co. Limited,
13 Austin Friars,
London EC2N 2HE.

MANAGER FOR EUROPE

London Based — Not less than £20,000 plus car

The Company is a major division of a privately owned Group having a turnover in excess of £80 million, involved in the most buoyant sector of the food industry. The high calibre of the present very professional management team is clearly demonstrated by the rapid expansion and consistently high level of profits achieved.

The European Manager will report to the Managing Director and be responsible for: all Continental European operations, extending business with existing suppliers, locating and appraising additional sources of supply, if justifiable, recommending opening of trading European office(s).

The position calls for a mature person, male or female, ideally 35–45, with experience in these markets, a trading/broking background with profit accountability and a demonstrable achievement record.

Success in people management, development and relationships up to board level is desirable, reasonably supported by linguistic fluency in French. One other foreign language would be advantageous.

Salary is negotiable above £20,000 plus car, and a full range of benefits. Prospects for advancement are excellent.

Please telephone for an application form, or write briefly and in confidence to:

James Allen

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ
Telephone: 021-705 7399 or 021-704 2851

BANKING EXECUTIVE

CREDIT AND MARKETING INTERNATIONAL BANK —LONDON

The expanding London Branch of a major Middle Eastern bank wishes to appoint an experienced Banking Executive to undertake marketing and business development in Europe.

The successful applicant will be personable, well educated and experienced in the credit and marketing areas with a major international bank. European languages are desirable but not essential.

The remuneration package includes a competitive salary, a car, a mortgage subsidy and other benefits associated with a large international institution.

Write Box A8266, Financial Times
10 Cannon Street, London EC4P 4BY

STOCKBROKERS

AN OPPORTUNITY IN PRIVATE CLIENTS

Montagu, Loebl, Stanley & Co. requires a Senior Assistant for their expanding Private Client Department.

The right person will probably be aged between 27-30 years and will have had several years' experience in dealing with Private Clients.

It is envisaged that this appointment will lead to an offer of Partnership within two years, assuming that during this time the successful applicant will have shown themselves capable of providing clients with the highest standard of service and of contributing to the growth and development of the Department.

Salary will be no obstacle for the right candidate.

Please send curriculum vitae which will be treated in the strictest confidence to:

Mr. R. A. D. Froy,
Montagu, Loebl, Stanley & Co.,
31 Sun Street,
London EC2M 2QP

MAJOR BRITISH INTERNATIONAL PUBLIC COMPANY

WISHES TO APPOINT:

1. **Finance Director:** – Banking, Treasury/General Financial Management Experience
2. **Treasurer:** – Banking, Treasury Experience.
3. **Group Financial Controller:** – Engineering Construction/Industrial Experience. Reporting to Chief Operations Executive.

Location: North west of England. For confidential consideration, please forward C.V. to main board director assigned to this search under *Box A8260, Financial Times, 10 Cannon Street, London EC4P 4BY.*

Antony Gibbs & Sons, Ltd.

Manager/Assistant Manager UK Lending

Due to a significant expansion, Antony Gibbs & Sons, Ltd, the London merchant banking arm of the HongkongBankGroup, is looking for 1/2 executives aged 25-30 to assist in the development of new corporate lending within the Banking Division.

The requirement is for an experienced executive(s) with a minimum of 4 to 5 years' banking experience, with the personality and drive to progress rapidly in a business development role under the supervision of senior executives.

The successful candidate(s) is likely to be a graduate *and/or* professionally qualified with good credit analysis skills and knowledge of loan documentation. A competitive salary and the usual banking benefits will be offered to the successful candidate(s).

Applications, which will be treated in complete confidence, should be sent with full CV to: C. E. Fiddian-Green, Antony Gibbs & Sons, Ltd, 3 Frederick's Place, Old Jewry, LONDON EC2R 8HD.

County Bank Limited

As the merchant bank in a major international group, we provide an extensive range of banking, investment, and advisory services to a wide range of governmental and corporate clients throughout the world. With assets in excess of £1bn, we are one of the largest merchant banks in the UK and it is our aim to expand further our activities in all the markets in which we currently operate. This commitment to continued growth creates opportunities for experienced professionals and younger people with potential to join a young and progressive organisation with its eyes firmly on the future. Details of some of the opportunities are shown below:

London

We have opportunities at various levels for career people who can demonstrate intellect, enthusiasm and commitment and are prepared to work hard in an organisation which rewards such qualities.

The positions are in our Finance Division and you will work as part of a team engaged in making loans, taking equity investments and providing general and specific banking and financial advice to a wide range of UK corporate clients.

If you are a graduate with two years general experience with a UK or international bank, and are seeking a career move, we would like to hear from you – if you have received recognised credit training so much the better.

We are also able to offer positions to bankers with experience in one or more of the fields in which we specialise – term lending, equity investment, management buy outs, syndications, funded leasing, and money market/Forex lines.

Manchester and Leeds

The Manchester and Leeds offices are concerned with providing financial services; primarily lending, equity investment and corporate advice, to a wide range of clients throughout the North of England. Opportunities exist in these offices as follows:

Executive Trainee – Manchester & Leeds

An opportunity exists in both offices for an intelligent young banker (AIB qualified) possibly with some experience of corporate lending, who is eager to develop skills within a merchant bank. Initially the role will involve essential administrative support – including balance sheet analysis, loan and security documentation – together with providing assistance in monitoring the local loan and equity portfolio. It is, however, a prerequisite that candidates are of a calibre which will enable them to assume further responsibilities in the future.

Interviews will be held locally in Manchester and Leeds.

Business Development – Leeds

In order to continue the commitment of the Leeds office to greater involvement with quoted companies, we seek to recruit a senior banker, possibly a Chartered Accountant, whose role will be to develop creative lending opportunities and negotiate complex lending packages. You will work within a team of 13 headed by a main board Director, and be able to utilise the skills and experience of other executive staff for support services. Company contact will be at Finance Director level and it is unlikely that executives aged less than 30 will have the necessary maturity and experience to handle this marketing orientated position.

In addition to maturity and a comprehensive understanding of corporate lending facilities, candidates should have a demonstrable proven record in successfully negotiating a range of merchant banking facilities.

Applications for these positions, together with enquiries from Bankers keen to make a career move at this time should be forwarded to:
Ian Carlton, Personnel Manager, County Bank Limited, 11 Old Broad Street, London EC2N 1BB.
Please state clearly which position(s) interest you and give full details of experience, qualifications and current salary.

COUNTY BANK

National Westminster Bank Group

Company Secretary

The Company, a major subsidiary of an International Group, with a turnover in excess of £130M manufactures and markets a wide range of power tools and related products in the UK and to export markets.

We require a Company Secretary who will be responsible to the Managing Director for a wide range of legal and administrative activities including:

- Pensions and legal aspects of employment
- All types of insurance
- Commercial contracts, patents and trademarks
- Tenancy agreements and leases
- Secretarial aspects of management meetings

Ideally, applicants should be a Chartered Secretary or Solicitor, aged 30-35, and will probably currently be an Assistant Company Secretary in a major commercial or industrial organisation. Experience in a multi-national organisation and some knowledge of European and US legal requirements would be an advantage.

The successful candidate will be expected to give authoritative advice to management in all departments and be able to display a high level of communication skills for this purpose.

Salary will not be a limiting factor. Conditions include a Company Car, BUPA membership and relocation expenses if appropriate.

Black & Decker

Applications, in confidence, to J. D. Lee, Director of Personnel, Black & Decker, Cannon Lane, Maidenhead, Berkshire, SL6 3PD.

Insurance of Financial Risks

Willis Faber & Dumas require an energetic executive (age group 30-40) who is experienced in credit, political risks and financially related insurances.

The successful applicant would join a young team in a rapidly expanding department with the main emphasis being on the production of new domestic business. Extensive travel would be involved.

This is an excellent opportunity for career development for a knowledgeable salesman or saleswoman.

Starting salary will be negotiable. Excellent company benefits include a car.

Please ring Mrs. P. Fowler on 01-488 8282 or write to her, enclosing a cv, at Willis Faber & Dumas Ltd, Ten Trinity Square, London EC3P 3AX.

Willis Faber

Finance and Administration Manager

City Solicitors — *up to £18,000*

As a consequence of their rapid growth, our client, a recently established firm of City solicitors, wish to appoint a qualified accountant to take responsibility for the finance and administration functions within their practice.

The successful applicant will have as priorities the supervision and control of accounting operations which include computerised systems, the provision of management information, the preparation and monitoring of annual budgets and the management and control of such areas as administrative systems, insurance, building and office services.

Age will be less important than a breadth of experience which includes both financial and administrative responsibilities at a management level. This will be a wide ranging role and will demand flexibility and the willingness to operate at all levels both within the accounting function and throughout the practice.

This position offers the opportunity to contribute to many aspects of a developing practice and it is envisaged that the jobholder will ultimately assume the role of Partnership Secretary.

Candidates, male or female, should write, with full details of your career to date, to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.
Please quote reference MCS/9022.

Price Waterhouse Associates

Insolvency Manager

Arthur Andersen & Co.

Hong Kong — Neg. £30,000+

We have been retained by Arthur Andersen & Co., one of the World's leading accountancy firms, to recruit a Manager for its fast developing Hong Kong insolvency practice. The position involves the co-ordination of new work with local and UK specialist partners and significantly contributing to the firm's exciting growth programme in this vibrant location.

Applicants, aged 30-45, must have considerable liquidation experience together with some exposure to Court related insolvency work, strong practice development skills and a high level of communicative ability. Membership of the IPA whilst desirable is not essential.

It is intended that after a brief induction in London, a two year period will be spent in Hong Kong with attractive longer term prospects available in either location.

The salary indicator, which includes a housing allowance, is negotiable and will not be a limiting factor. Interviews will be held in London.

Candidates should write to **Allan Marks** enclosing a comprehensive curriculum vitae, quoting reference 428/1 at Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London, WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Opportunity for Board appointment in 3-5 years.

CORPORATE FINANCE EXECUTIVE—BANKING

CITY — **£15,000—£20,000 + BONUS + CAR**

FAST EXPANDING INTERNATIONAL MERCHANT BANKING ARM OF SUBSTANTIAL BRITISH FINANCIAL SERVICES GROUP.

For this demanding new appointment, we seek candidates, professionally qualified, most likely in accountancy or law and aged 26-30. A minimum of 3 years' all-round Corporate Finance experience will have been gained with a leading issuing house, stockbroker or professional firm specialising in this field. A sound grasp of the fundamentals and detail involved is essential together with a capacity for sustained effort under pressure. As a member of a small team and reporting to a Corporate Finance Director, the successful candidate will play an increasing role at senior level in all aspects of the work of the department including, inter alia, takeovers, mergers, acquisitions and new issues. The ability to identify opportunities and develop these to maximum advantage is required. Initial salary negotiable £15,000-£20,000 plus bonus, car, non-contributory pension, free life assurance, subsidised mortgage and assistance with relocation expenses if necessary. Applications in strict confidence under reference CFE 4190/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216

* Please only contact us if you are applying for the above position.

Marketing Services Manager

The Financial Times Business Enterprises Limited is the information and publishing subsidiary of the Financial Times and produces magazines, books, newsletters, information services and diaries.

A Marketing Services Manager is sought to provide marketing support and allied services for the full range of Financial Times Business Enterprises Limited products and to work as a member of the Company's marketing management team.

The successful applicant will probably be a graduate with a proven record in a responsible direcet selling position, experienced in administering market support services, including fulfilment, and the ability to successfully motivate and control staff.

The Marketing Services Manager will be responsible for:—

—Developing and managing the provision of analytical marketing information relating to the Company's current and planned promotion activities, which are mainly in the area of direct mail;
—Co-ordinating and expanding a major list bank;
—Being aware of the range and availability of external mailing list sources and developing effective working relationships in this area;
—Participating in the implementation of direct mail programmes;
—Co-ordinating the activities of the order processing and subscription fulfilment departments;
—Participating in the expansion of computerisation in the marketing area.

A good salary plus normal Company benefits are available.
Please write, with full curriculum vitae, to:—

John McLachlan, Managing Director
The Financial Times Business Enterprises Limited
Greystoke Place, Fetter Lane, London EC4A 1ND

Far East Fund Manager

A leading London fund management group with a reputation for outstanding investment performance in the U.K. and U.S. markets, wishes to add to its team an investment manager, who can achieve a similar reputation with a fund investing in Japan and the Far East.

The manager, male or female, will have a considerable degree of autonomy in the management of the fund and would be publicly identified with it. An appropriate salary will be paid.

Confidential Reply Service: Please write with full CV quoting reference 1833/JE on your envelope listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

Charles Barker
ADVERTISING • SELECTION • SEARCH

SETTLEMENTS/OPERATIONS

US BROKER

Age 25-35 — **up to £15,000 + bonus**

A major U.S. Broker will shortly appoint a Manager whose responsibilities will include:

★ the supervision of administrative personnel in the equity department with a strong emphasis on settlement activity.
★ liaising effectively with counterparts in New York on settlements.
★ administration of operations systems and procedures in the equity department.

The ideal candidate will have had settlement administrative experience with an American, Canadian or British stockbroker. This is a new appointment. The successful candidate must have the managerial skills required for what is an exciting leadership opportunity. Salary will be negotiable but is unlikely to prove a problem for the right candidate. The prospects are excellent.

Please apply to Jock Coutts,

Chichester House, Chichester Rents, **Career plan** Limited, London WC2A 1EG. Tel: 01-242 5775
PERSONNEL CONSULTANTS

SENIOR CREDIT OFFICER

A large Middle East bank with an extensive international network seeks a Credit Officer with at least 10 years' international credit management experience. This position reports directly to the Chief Executive.

Major responsibilities

Maintaining and improving the bank's credit policies and procedures;
Overseeing the credit inspection programme;
Supervising the credit training programmes;
Overall credit administration.

The location is the Middle East. Excellent compensation and benefit programme.

Please reply, sending curriculum vitae, to:—

Box A8267, Financial Times
10 Cannon Street, London EC4P 4BY

PORTFOLIO MANAGEMENT

We require an Assistant to the Investment Manager of the Group.

The main responsibility will be to assist in the management and administration of the portfolios and deputise for the Investment Manager in his absence. The successful candidate will be initially expected to concentrate on the UK equity market and to make an early contribution to the Group's investment strategy and at a later date might assume responsibility for part of the portfolios.

Applicants with a degree should have a minimum of two years' *investment experience with an institution or stockbroker. Applications from non-graduates with longer* periods of experience are also invited.

The commencing salary will be negotiable and fringe benefits include mortgage subsidy, staff canteen and non-contributory pension.

For an application form please write or telephone.—

Personnel Manager
Reliance Mutual Insurance Society Limited
Reliance House, Tunbridge Wells, Kent
Telephone: Tunbridge Wells 22271

A direct line to the executive shortlist

InterExec is the only organization specialising in the confidential promotion of senior executives.

InterExec clients do not need to find vacancies or apply for appointments.

InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone

InterExec

London	01-930 5041/8	19 Charing Cross Rd, W.C.2.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

Merchant Navy Pensions Administration
Equity Portfolio Manager

Merchant Navy Pensions Administration manages the assets of the Merchant Navy Officers Pension Fund and the Merchant Navy Ratings Pension Fund. Combined assets of the two Funds amount to some £900 million.

Due to continued expansion of our activities we are now looking for an Equity Portfolio Manager based in our London office, reporting directly to the Deputy Investment Manager. He or she would have a key role in the day to day analysis and management of the UK equity portfolio.

This post would be attractive to a person having considerable initiative and capacity for self-motivation. He or she should be capable of becoming an important member of a small but enthusiastic team.

Suitable candidates are likely to be in their 30s with a degree or other suitable professional qualification but, most of all, they should be able to demonstrate a broad experience in this area.

An attractive and competitive commencing salary will be offered.

Please write enclosing your cv with full details of previous employment and present salary to

J. M. Bird
Merchant Navy Pensions Administration
Ebbisham House
Church Street
Epsom, Surrey KT17 4QF

LEASING MANAGER

Compsoft is the UK's leading microcomputer software house. Established in 1979, the Company has enjoyed rapid growth and now seeks to establish a leasing subsidiary.

Applicants should have experience in the field of supplying finance for asset acquisition. He/she must be capable of setting up the operation with the assistance of the Financial Director, then managing the operation on a day-to-day basis.

Candidates should have a high level of business acumen and previous experience in the leasing industry, plus the drive and initiative required to successfully establish this new operation.

Salary is negotiable and will not be a barrier to the right applicant.

Please write to:—

Nicholas Horgan, Managing Director
COMPSOFT LTD
Hallams Court, Shamley Green
Nr. Guildford, Surrey

Agency applications invited.

MAJOR BRITISH INTERNATIONAL PUBLIC COMPANY

seeks to appoint a number of key executive functions:

Executive Project and Operations Directors:—

1. With engineering construction experience
2. With industrial experience.

Reporting to Chief Operations Executive
Head Office location Northwest of England.

For confidential consideration, please forward C.V. to main board director assigned to this search under *Box A8264, Financial Times, 10 Cannon Street, London, EC4P 4BY*

DOCUMENTARY CREDIT MANAGER

FOR A RAPIDLY-EXPANDING INTERNATIONAL TRADING COMPANY

You should be experienced in all aspects of shipping documents, documentary credits, foreign exchange documentary transaction and banking. The position requires working long hours, negotiating, travelling and acceptance of responsibilities, organising and managing Documentary Department.

We are particularly looking for a person whose current position status does not reflect their ability, current performance and responsibilities. This position is for a solely career-orientated person with ambition.

Salary, terms and conditions by negotiation. All applications will be treated in strictest confidence.

For further information please contact:

Miss Margaret Nicol — Telephone 935 5686

PRIVATE CLIENTS STOCKBROKING

A well-established firm of stockbrokers in EC2 seeks an assistant to the Head of their fast expanding Private Clients/Bank Department. Candidates must currently be working for stockbrokers. Excellent salary package.

Please ring 588 3535

Crone Corkill
Recruitment Consultants

PUBLIC INTERNATIONAL GROUP

wishes to appoint highly numerate Executive to assist dynamic Group Chief Executive.

Operating Background:—
Banking/Corporate Finance experience necessary.
Arabic speaking an advantage.

Please reply in strictest confidence to the Board of Directors under *Box A8262, Financial Times, 10 Cannon Street, London EC4P 4BY*

LONDON STOCKBROKERS
SEEK
PRIVATE CLIENT EXECUTIVE

Must be competent and responsible, since position carries high degree of autonomy. Will work closely with Partner in charge of department. Suit person with 5/10 years' experience.

Write Box A8265, Financial Times, 10 Cannon Street, London EC4P 4BY

EURO $ STRAIGHTS — **£30,000 +**

Major Securities House in the City would like to move one of its top traders into a sales job. Before this can happen they must recruit his replacement, however, who will be one of the City's better dealers with several years experience of FRN's and Euro $ Straights.

The successful candidate will take full responsibility for all activities in this field.

Please Contact David Little

UK LEASING MANAGER — **£25,000 plus benefits**

Our client a major US bank, seek a candidate experienced in negotiating, pricing, and structuring big ticket leasing transactions. Ideally aged c32 years, a graduate with experience of a US banks formal credit training programme.

UK LEASING EXECUTIVE — **£18,000 plus benefits**

Similar to above but aged 25-28 years.

Please Contact Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Accountancy Appointments

INBUCON

Take the audit trail through Europe, the Middle East and Africa

INTERNAL AUDITORS

Based in Brighton c.£12k+mortgage subsidy and benefits

Based at the European Headquarters of one of the world's leading financial services organisations with consolidated assets of $27 billion, is a team of Corporate Auditors who perform audits at Company locations throughout Europe, the Middle East and Africa.

Candidates will need to be qualified Chartered or Certified accountants OR have 3/4 years' internal audit experience in the financial sphere.

Considerable flexibility is called for not just to negotiate different methods of working around the world but in order to adapt to constantly changing personalities and environments.

Although you are unlikely to be on your own, you will need to be self-motivating, resourceful and possessed of strong inter-personal skills in order to be totally effective. Naturally, you will welcome working overseas for at least half of your time.

Whenever possible corporate financial and EDP audit functions take an integrated approach. Some background in data processing would therefore be attractive; however it is not a pre-requisite.

In career terms the role is highly "visible" and can open many doors within this large multinational company.

Remuneration depends entirely on experience but with a benefits package which includes relocation, mortgage subsidy, non-contributory pension and much more besides, we are sure you will want to talk.

Call GEOFFREY HENLEY on the number below or on 0273 686472 outside office hours for an informal discussion. Alternatively, send a full C.V. to us and we will contact you.

INBUCON MANAGEMENT CONSULTANTS LIMITED
D. P. Recruitment and Contract Services,
Suite 'J', The Priory, Haywards Heath, West Sussex, RH16 4DG.
Telephone: Haywards Heath (0444) 458821 (24-hour answering service)

Senior EDP Auditor

England based ***c£16,500 + car, etc.***

Our client, the well known and highly regarded food firm, CARNATION, is one of the few manufacturers in the US to have a Triple-A financial rating. There is now a need for an experienced EDP Auditor to be based in England and to conduct EDP audits throughout Europe.

Reporting to CARNATION, Headquarters in Los Angeles, the successful applicant will be required to evaluate internal controls in new and existing computerised business application systems as well as improving the scope and efficiency of audit techniques.

Candidates, 25-35 years of age, are likely to be qualified accountants with at least 1 to 3 years EDP audit experience, career minded with a natural enthusiasm and ability to make a positive contribution to management. Familiarity with IBM mini-computers would be advantageous.

In addition to an attractive salary, benefits will include motor car, pension and medical insurance and 5 weeks holiday. Travel commitment will be at least 50 per cent with weekend returns home to be agreed.

Candidates, male or female, wishing to apply should write in confidence for a personal history form to
Michael R. Andrews,
Executive Selection Division,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY, quoting reference MCS/7124.

Price Waterhouse Associates

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

Retailing

North East, to £18,000 + car

This is a newly created, demanding position with a successful public company currently operating 80 retail outlets and committed to further expansion. Reporting to the Deputy Managing Director, prime responsibility is the management of the accounting function controlling a staff of 35 engaged in the preparation and presentation of detailed management and financial information. An immediate key task is to improve and expand computer based accounting by the evaluation and implementation of financial systems, working closely with a specialist M.I.S. team. Candidates will be high calibre qualified accountants, preferably graduates, aged 30-40, with an established record of successful financial management, ideally in retailing or multiple location service industries. They must have positive leadership, man-management and interpersonal skills, a resilient nature and view this challenging role as the next logical step in a planned career progression. Additional benefits, including a profit sharing scheme, are comprehensive and relocation expenses are available if required.

Male or female candidates should telephone in confidence for a Personal History Form or submit a comprehensive C.V. to *A.D. Kelly, 4 Mosley Street*, NEWCASTLE-UPON-TYNE, *NE1 1DE*, 0632-327455, quoting reference *44173/FT*.

FINANCIAL DIRECTOR

North Lancs. **c £17,000 + Car etc.**

This is a challenging opportunity for an experienced qualified Accountant (ACA, ACMA, ACCA) to join a fast growing subsidiary of a substantial and well established manufacturing group.

Reporting to the Managing Director, the successful candidate will assume responsibility for the total finance and administrative function of a business whose turnover is £7m.

Important pre-requisites must include:

1. Above average technical ability to meet the on going demands of a business where effective communication within a local and corporate situation is of prime importance.
2. A commercial awareness where your recommendations and or decisions have had a direct result in the improvement of business efficiency.
3. The proven ability to produce accurate financial and management information to strict pre-established deadlines.
4. An extensive knowledge of EDP systems development within a manufacturing operation.

This appointment will offer a sound career move for an Accountant aged 28-40 who is keen to join an environment where a positive contribution will result in above average rewards in terms of remuneration and real job satisfaction.

Relocation expenses will be met in appropriate circumstances.

Ref: 83/283 FT

GROUP CHIEF ACCOUNTANT

Lake district **c £17,000 + Car etc.**

This challenging new appointment is based at the head office of a multi million pound, profitable trading organisation. A highly motivated experienced Accountant (ACA, ACMA, ACCA) capable of establishing an effective central finance function, you will also be responsible for the co-ordination of corporate plans and budgets, financial modelling, trend projections, appraisal of company funding, and the development of a treasury role. This is an outstanding opportunity to work within a dynamic rewarding environment. *Ref: 83/284 FT*

Apply in the first instance to Brian R. Daniels,
Managing Partner, Daniels Bates Partnership,
Josephs Well, Hanover Walk, Park Lane,
Leeds. LS3 1AB.
Tel: (0532) 461671: Three Lines.

Daniels Bates Partnership

PROFESSIONAL RECRUITMENT

Financial Controller

The position is with a growing finance company in leasing, hire purchase and financial services.

The role will be to contribute significantly to the company's sound future growth and diversification plans. The initial task will be the computerisation of MIS and all accounts from a manual base. Following this will be the standardisation of subsidiary company systems, cash control and tax matters.

Prospects include a board directorship, depending only upon personal performance.

A Chartered Accountant (M/F) with experience of corporate financial matters in a City environment, preferably gained with smaller, non-bureaucratic companies is required. Finance company or banking experience with some knowledge of acquisitions of receivables would be interesting.

Salary negotiable plus a car and other benefits.

Please write in strict confidence to Peter Rolandi, Chief Executive, (Ref: RP703).

Alliance
Management Selection
15 Borough High Street, London SE1 9SH.
Tel: 01-403 0894 (24 hours).

MANAGEMENT CONSULTANCY IN FINANCIAL INSTITUTIONS

to £25,000 plus car

We are seeking a number of graduate accountants in the age range 32 – 40 to join our expanding management consultancy.

The work involves advising clients in the financial sector (banking, stockbroking, insurance, investment) on planning and strategic issues, accounting and management information systems and EDP. A specialised knowledge of the sector is essential. Equally important are a sound commercial background and an ability to recognise the needs of senior management.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2121 to W.L. Tait.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR
Telephone: 01-353 8011
A member of the Management Consultants Association.

ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

CORPORATE PLANNING/INVESTIGATIONS **£15K + Car**

Senior financial role within major trading group, handling rationalisations, disposals, acquisitions, liaising with outside consultants on business sector and markets, wide ranging spread of work necessitates excellent communication skills, conceptual abilities and the aggression to reach the top. Candidates should be graduate ACA's aged 28-30, willing to travel up to 50%. CITY. Ref: SC.

INTERNATIONAL AUDIT **£11-15,000**

A number of our clients, particularly major U.S. corporations, can currently offer excellent career opportunities via their international audit departments. Not only will you command a premium salary and gain in-depth knowledge of international operations but will also enjoy considerable exposure to senior management plus overseas travel. In most cases the audit function provides a recognised career route to line management. Suitable candidates will be graduates, aged 25-30. BASED LONDON, PARIS, SUSSEX, BERKSHIRE and E. MIDLANDS. Ref: JG.

COMPANY ACCOUNTANT **£12,000 +**

An expanding FMCG group requires capable accountants to head up a small department in each of 2 satellite companies. Key responsibilities will be the tight control of cash flow, funding and the production of management accounts. The successful candidates will be expected to advise the MD on all financial matters and play an active role in commercial matters. KENT/HERTS. Ref: VMD.

ROBERT HALF

Young ACMA/ACCA

Aged 21-26 **Up to £14,000 package**
Based South Coast **+relocation**

Our client, a high technology manufacturing company and part of a major international group is continuing to enjoy a substantial growth in revenues and profitability.

An opening in the company exists due to the early promotion within the group of the previous incumbent. The position reports to the Controller with responsibility for all management accounting and reporting as well as acting as an effective deputy to the Controller during any periods of his absence. In addition, there will be an element of business travel to Europe and the USA.

Prospective applicants must have gained their experience in a manufacturing environment and in addition be familiar with computerised accounting systems.

Promotion at an early age into a more senior position including some involvement in the commercial aspects of the group's business will be possible.

Interested applicants who can display drive, enthusiasm and credibility should apply to Anthony Justin at EMF International, Northumberland House, 303-306 High Holborn, London WC1V 7JZ, Telephone 01-405 9581.

EMF International

Financial Controller

Pilots' National Pension Fund

The Pilots' National Pension Fund, a unique occupational approved scheme valued at £79m, currently provides pensions for 1,400 marine pilots. An active body of trustees representative of the various interests concerned controls the Fund, while investment management is carried out by a leading city firm of merchant bankers.

We are looking for a financial controller, preferably aged 45-55, to be responsible to the trustees for liaison with the investment managers on all matters related to the Fund's portfolio. Responsibilities will include control of investment procedures, preparation of accounts and reports on the Fund's performance.

The post will suit someone with substantial investment experience, possibly a pension fund manager who has retired early. Candidates must have substantial experience of investing pension fund moneys on a large scale, ideally in consultation with professional investment advisors, as well as a knowledge of the legal, operational and administrative aspects of such funds. An accountancy qualification is desirable but not essential. Experience in a DP environment woud be useful as we intend to computerise our systems in the near future.

An attractive salary and benefits package, commensurate with qualifications and experience, will include a contributory pension scheme and five weeks' holiday.

Please write with full career details to
Mrs. J. Lemon, The Secretary,
The Pilots' National Pension Fund,
8 Great James Street, London WC1N 3DA.

THE PILOTS' NATIONAL PENSION FUND

CHIEF ACCOUNTANT

A growing, internationally-oriented merchant banking group requires a Chief Accountant who will report to the Group Controller

The successful applicant will have responsibility for a number of investment companies and a small but efficient accounts department.

Candidates should be recently qualified accountants who ideally should have experience in banking. Knowledge of computerised banking systems would be an advantage.

The appointment is based in London.

An attractive compensation and benefit package will be offered.

Reply in confidence to:
Box A8270, Financial Times
10 Cannon Street, London EC4P 4BY

SENIOR ACCOUNTANT

FOR A RAPIDLY EXPANDING INTERNATIONAL TRADING COMPANY

Fully qualified and experienced accountant for International Trading Group.

The position requires qualified person, female/male, of proven ability who feels their current position does not reflect their performance in status, salary and promotion prospects.

The position requires a successful candidate to establish financial/management and computer-controlled accounts. In addition the position calls for some overseas travel and requires knowledge of international banking/documentary credits, finance and international trading.
Age: 28-38.

Salary by negotiation and applications will be treated in strictest confidence.

For further information please contact:

Miss Margaret Nicol Tel: 01-935 5686

International Appointments

Mansion House Securities Ltd.

HONG KONG

(The newly-established stockbroking subsidiary of the Hongkong & Shanghai Banking Corporation and Hang Seng Bank)

Due to rapid expansion, we are seeking several highly qualified persons as described below. The location will be initially in Hong Kong. Future relocation back to London is optional. Age, sex, nationality are unimportant.

★ **Senior Securities Analysts**
Those with a proven track record in a similar capacity especially in relation to Far Eastern securities or international debt securities are particularly welcome.

★ **Institutional Sales Representatives (for foreign equities and/or Eurobonds)**
Those who are familiar with investment institutions in the UK and/or Continental Europe with intimate knowledge and rich experience acquired within a major stockbroking firm or a City institution plus adequate exposure to Far Eastern securities will be given first preference.

★ **Eurobond Traders/Dealers**
Minimum three years' experience in this field acquired within a major stockbroking firm/merchant bank/international bank with thorough familiarity with Euro-bond market and its participants, preferably also multi-lingual in especially German and French or Japanese or Arabic or Mandarin.

★ **International Precious Metals Dealers**
Minimum three years' recent experience in dealing both physical and futures, acquired within a major dealing house in London or Switzerland.

We are offering attractive compensation packages to those who are interested in growing with us as part of the Hongkong Banking Corporation. Absolute confidentiality is assured to those candidates who write to us to include résumé, photograph, present salary package and reference. Please reply (not later than 30th September, 1983) to:

(Envelope marked "Private and Confidential")
ATTENTION: GENERAL MANAGER, INTERNATION,
MANSION HOUSE SECURITIES LTD.,
8th Floor, China Building, 29 Queen's Road, Central Hong Kong

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International Banking Consultants

Jonathan Wren International Ltd

01-623 1266

170 Bishopsgate, London, EC2M 4LX

BAHRAIN

Our client, an important expanding Arab banking institution, currently seeks to strengthen its lending team by making the under-mentioned appointments

VICE PRESIDENT PROJECT FINANCE

Candidates should ideally be aged 35-40, possess a Masters or PhD in either Engineering and/or Business Studies, together with a minimum of 10 years Project Finance or related experience of which 2 to 3 years should be banking orientated.

Prime responsibilities will be marketing, evaluating and packaging project financing proposals in the construction and energy fields. A knowledge of French and Arabic would be an advantage, although not essential.

ASSISTANT VICE PRESIDENT SYNDICATIONS

Candidates should ideally be aged 30-38, possess a university degree and a minimum of 7 years bank experience. It is particularly important that candidates possess a sound credit background, preferably gained within an American bank.

Reporting to the Senior Vice President, Loans and Syndications, the appointee will be given regional responsibility for all aspects of syndicated lending. A second European language would be an advantage.

These posts represent exceptional opportunities in a rapid growth environment. Salaries for both positions are tax free and will reflect the importance of these key posts. Benefits include an accommodation allowance and return air fares etc. Initial interviews will be held in London during the first week of September. Please telephone for an application form or send a full curriculum vitae to ROY WEBB, MANAGING DIRECTOR.

Bank Inspector

Africa

A major commercial bank in Southern Africa is seeking a Chief Inspector to direct and control the operational audit programme covering its extensive branch network; the Bank provides a full range of services covering retail, commercial and agricultural facilities.

Applicants should have extensive bank audit experience in Africa and high level skills and qualifications in retail and corporate banking. They will probably be aged late thirties to early fifties, and be able to demonstrate a successful record in bank administration. The Bank will offer a competitive salary and benefits package on a direct 30-month contract; a generous end of contract gratuity is also paid. The location *is stable and attractive in English-speaking* Southern Africa. Initial interviews will be held in London.

Please write with full personal and career details to Confidential Reply Service, Ref: ASB 8800, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

Internal Auditor

BANKING

Kuwait **c.£26,000 tax free**

Our client is a leading Kuwaiti bank with an extensive national and international branch network.

Reporting to the General Auditor, he will be responsible for planning and supervising the work of a substantial and well established internal audit team. Rapid career development prospects are excellent.

Candidates, aged around 30, must be professional accountants with at least five years' post qualifying audit experience with a strong involvement in commercial banking, ideally including auditing of UK branches of overseas banks. Familiarity with American banking practices and with audit software would be advantageous.

Salary is around £26,000 tax free and the benefits include furnished accommodation, forty days annual home leave and children's school fees.

Please send full career details, in confidence, to A. R. Duncan at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, quoting Ref: 327.

Bull Holmes
PERSONNEL ADVISERS

QUALIFIED ACCOUNTANTS

Wanted by the Oman National Insurance Company SAO qualified accountants for their organisation in Muscat, Sultanate of Oman.

Applicants must be professionally qualified accountants with at least seven years' post-qualification experience in the following fields:

(1) Investment and portfolio management in an insurance-related field. *The candidate will be well versed in* analysing investment opportunities and controlling a mixed portfolio;

(2) A management accountant with experience in producing and reviewing management information and systems.

In both cases candidates with experience in the insurance industry will be given preferential consideration.

In addition to attractive salary, benefits include fully-furnished family accommodation, provision of a car, annual passages for employee and family, free medical benefits and all the fringe benefits.

Candidates should write in the first instance enclosing a comprehensive curriculum vitae to:
The General Manager
Oman National Insurance Company SAO
PO Box 5254, Ruwi, Sultanate of Oman

INTERNATIONAL FUND MANAGER

aged 25 to 35 required to join small team in London for a familiarisation period of three months, prior to an overseas tax-free appointment for two or three years. Experience of the North American and/or Far Eastern securities markets is required, as is the ability to take decisions and work independently, and to communicate and sell ideas. Therefore, stockbrokers with relevant knowledge should also apply. A full and generous package will be offered to the successful candidate. Application will be treated in strictest confidence.

Apply, sending curriuculum vitae, to:
Box A8269, Financial Times
10 Cannon Street, London EC4P 4BY

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

Thursday 22nd September, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 22nd September, 1983, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." Advertising rates will be £31.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit —don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £45 which will include company name, address and telephone number.

For further details please telephone:
01-248 4782 or 01-236 9763

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

ANNOUNCEMENTS

GODSELL & CO.

are pleased to announce the formation of a new company,

Godsell (Deposits) Ltd.

with John N. G. Moreton being appointed Chairman and the following appointed as Directors:—

A. C. Bonnici, D. B. Buik, J. A. Compson, C. G. Draper, P. J. Edge, D. C. Hallums, R. Hubbard, A. J. Olivet B. M. Riceman and R. J. Wren.

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PERCY TAYLOR please contact me (Omar) (512) 340 2266.

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Accountancy Appointments

MANAGEMENT ACCOUNTANT

London **£13,000 + car**

Our client, a major company operating in the field of international building services contracting seeks a qualified Accountant at their head office in South London.

This demanding role of Management Accountant will appeal to an energetic individual who possesses a strong commercial flair and is able to meet the challenges created by the company's expanding UK and international activities.

In addition to the excellent salary, an attractive benefits package will be offered reflecting the importance placed upon this senior appointment by the company.

Write to me in strict confidence, mentioning companies to which your C.V. should not be forwarded. Quote ref. FT/739 to Brian Withers

GERRARDS
Gerrard Recruitment Service
37, Chapel Side, Moscow Road, London W2. Tel: 01-221 3348

Nationwide Building Society

NATIONWIDE BUILDING SOCIETY invites applications from graduate ACMA/ACCA's for a position in

MANAGEMENT ACCOUNTING

c £13,000+

within the Finance Division at its Head Office in High Holborn.

The person appointed will act as deputy to the Management Accountant. He/she will have responsibility for the organisation and supervision of the day to day work of a small team involved in developing budgets, financial modelling techniques, cost reports, statistical returns and special studies.

Candidates in the age range 25-37 should hold a professional accountancy qualification and possess a sound knowledge of management accountancy procedures. Previous experience within a banking/financial institution, would be an advantage.

Commencing salary in the range £12,756-£13,250 (inclusive of London Allowance) according to experience. The Society has its own Superannuation and Sickness Benefit Funds; fringe benefits include a Society car, 4 weeks 4 days annual holiday entitlement, BUPA membership and, after a qualifying period of service, concessionary mortgage facilities.

Please send details of your experience, qualifications, age and current salary, explaining your interest in the position, to.—

R. N. Wharton, Recruitment Manager,
Nationwide Building Society,
New Oxford House, High Holborn,
London, WC1V 6PW

ACCOUNTANCY APPOINTMENTS

APPEARS EVERY THURSDAY

RATE £31.50 PER SINGLE COL. CENTIMETRE

INTERNATIONAL BANK ANALYST

c.£20,000

IBCA Banking Analysis Limited requires a senior analyst, who should be an accountant, M.B.A. or professionally qualified person, preferably with a background in financial analysis and/or in banking. IBCA is the leading company in its field, specialising in the rating of banks, and the position requires visits to international Banks in order to conduct in-depth interviews at a senior level. A knowledge of one or more foreign languages, preferably including Spanish, would be advantageous. Salary c. £20,000 plus profit share.

Reply to. Box A 8252, Financial Times
10 Cannon Street, London EC4P 4BY

LLOYD'S BROKERS

Medium sized broker require Chartered Accountant. Applicant must be fully conversant with Lloyd's operations and be able to control all aspects of accounts. Knowledge of computers an advantage. The position offers real career prospects for the right person and salary and benefits will be commensurate with the position.

Please write sending C.V. to;
Box A8268, Financial Times
10 Cannon Street, London EC4P 4BY

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Geneva: 15 rue du Cendrier. Telex: 22589. Tel: 311604.

Hong Kong: Room 507a, Pedder Building, Pedder Street, Central. Telex: c/o Reuters, HK. Tel: 5-226935.

Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.

Leeds: Advertising Permanent House, The Headrow. Tel: 0532 454969.

Lisbon: Praca da Alegria 58-1D, Lisbon 2. Telex: 12533. Tel: 362 508.

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772.

Manchester: Editorial and Advertising Queen's Hse., Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.

Mexico City: Calle Dinamarca 54-500, Col Juarez, Mexico 6DF 06600. Tel: 592 5822.

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finanso. Tel: 243 1635.

New York: Editorial and Advertising 75 Rockefeller Plaza, N.Y. 10019. Editorial Telex: 66390. Tel: (212) 541 4625. Advertising Telex: 238409. Tel: (212) 489 8300.

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Rio de Janeiro: Rio Branco 45, Salas 2611-2612, Centro DEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.

Rome: Editorial Via della Mercede 55. Telex: 610032. Tel: 678 3314.

Stockholm: Editorial Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.

Tokyo: Editorial 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: 127104. Tel: 295 4050.

Washington: Editorial 1171 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

London Brick advances £2.69m

FOR THE first six months of 1983 pre-tax profits of London Brick rose to £10.15m, an advance of 36 per cent over the £7.46m reported for the same period last year, and the interim dividend is being effectively increased from 0.9755p to 1.2681p net per 25p share.

Mr Jeremy Rowe, chairman, said the confidence expressed at the May AGM had been fully borne out by the results. He added that shareholders were now benefiting both from the improvement in the group's trading position and the success of the measures taken to improve performance.

First half turnover advanced from £69.54m to £73.41m and at the operating level profits amounted to £9.61m, compared with £8.05m previously.

Pre-tax figures were struck after deducting £230,000 (£968,000) for interest charges and adding £159,000 (£106,000) from investment income and a £613,000 (£266,000) share of an associate's profits.

Tax accounted for £3.97m (£2.69m) and after extraordinary debits of £847,000 (£323,000) the attributable balance emerged at £5.33m (£4.45m).

Stated earnings for the six months amounted to 4.41p (3.71p adjusted) per 25p share.

In his interim report Mr Rowe commented that demand for bricks produced by the group was buoyant. He said deliveries of Oxford Clay flettons were 10 per cent up on last year and that the order book was strong.

Since May production had been increased and was now running 10 per cent ahead of 1982. Impressive results by the group's non-fletton range were also achieved.

The chairman said that two new operating companies created in last year's reorganisation had made an excellent start and the London Brick Engineering had won a £5.5m contract to design, build and commission a brickworks in Swaziland with a production of 50m bricks a year.

Work has begun on site and shipments of machinery manufactured by London Brick Engineering in the UK will commence next month.

It was revealed that London Brick Property had successfully sold some 260 houses which were surplus to its requirements. The proceeds of these sales will be recieved later in the year and the profit, amounting to approximately £2.5m, will form part of the trading profit at the end of the year.

London Brick Landfill is continuing to expand its operations and is making an important contribution to overall profits. Croydex is also ahead, helped by a growth in exports.

At Banbury Alton the sale of *Homes and Gardens this spring* included write offs which are shown as an extraordinary item in the interim figures.

The results benefited from a full six-month profits from associate Brick and Pipe Industries of Australia. This company is continuing to do well.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Blagden Inds.	int.	3.3	Oct 3	3	—	6
Derek Crouch	int.	1.63	Oct 28	1.63	—	5.05
Dura Mill		0.6	Oct 3	0.6	0.6	0.6
Hawley Group	int.	1.32†	Jan 6	1.2	—	2.76
London Brick	int.	1.27	Oct 31	0.98*	—	2.75*
Pearl Assurance	int.	12	Oct 7	9.5	—	27.5
Renong Tin		0.35	—	5	1.35	7
Rotork	int.	1.75§	Oct 28	1.35	—	3.5
Slough Estates	int.	1.53	—	1.25	—	3.3
Webber Electro‡	int.	1.75	Oct 31	1.75	—	3.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § To reduce disparity.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: BBA, BSR International, Bath and Portland, Bensons Crisps, Blue Circle Industries, Britoil, Carpets International, Greenwich Cable Communications, Highlands and Lowlands, House Property of London, Lec Refrigeration, Needlers, Queens Moat Houses, Refuge Assurance, Scottish Agricultural Industries, Yorkshire Chemicals.

Finals: Dale Electric International, Hampton Trust, Immediate Business Systems, Moran Tea, New Darien Oil Trust, J. Saville Gordon, Zambia Copper Investments.

FUTURE DATES

Interims—

AI Industrial Products	Sept 21
Delta	Sept 8
Dufay Bitumastic	Aug 30
Early's of Witney	*Sept 16*
Henriques (Arthur)	Oct 7
Pentland Industries	Sept 5
RMC	Sept 21
Wilson (Connolly)	Sept 6

Finals—

Consolidated Plantations	Sept 2
Haynes Publishing	Sept 9
Tweefontein United Collieries	Sept 15
Walker (Alfred)	Aug 26

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	130	—	6.4	4.9	7.8	9.9
158	117	Ass. Brit. Ind. CULS	143	—	10.0	7.0	—	—
74	57	Airsprung Group	69	+1	6.1	8.8	19.7	19.7
46	21	Armitage & Rhodes	21	—	4.3	20.5	2.4	4.1
220	98½	Bardon Hill	220	—	7.2	3.3	9.0	18.3
151	*100*	*CCL 11pc Conv. Pref.*	*143*	—	*15.7*	*11.0*	—	—
270	192	Cindico Group	192	—	17.6	9.2	—	—
86	45	Deborah Services	54	—	6.0	11.1	3.6	9.6
125	77	Frank Horsell	125	—	—	—	5.2	8.8
119	75½	Frank Horsell Pr Ord 87	119	—	8.7	7.4	5.0	8.1
83	58	Frederick Parker	58	—	7.1	12.2	3.6	5.8
55	32	George Blair	32	—	—	—	5.5	11.8
100	65	Ind. Precision Castings	65	—	7.3	11.2	8.3	10.5
200	100	Isis Conv. Pref.	198	—	15.7	7.9	—	—
113	47	Jackson Group	113	+1	4.5	4.0	5.9	11.6
237	111	James Burrough	210	—	11.4	5.4	11.6	11.9
280	139	Robert Jenkins	139	—	20.0	14.4	16.2	10.9
83	54	Scruttons "A"	68	—	5.7	8.4	11.3	8.2
167	110	Torday & Carlisle	112	—	11.4	10.1	5.0	8.6
29	21	Unilock Holdings	24	—	1.0	4.2	16.0	22.9
85	64	Walter Alexander	72xd	—	6.8	9.4	5.1	8.4
276	214	W. S. Yeates	266xd	—	17.1	6.4	4.1	8.5

Licensed Dealer in Securities

Public Works Loan Board rates

Effective August 24

Years	Quota loans repaid by EIP†	Quota loans A‡	Quota loans at maturity§	Non-quota loans A* repaid by EIP†	Non-quota A‡	Non-quota at maturity§
Up to 3	11	11¼	11¼	12½	12⅝	12⅝
Over 3, up to 4	11⅜	11⅝	11¾	12¼	12⅝	12⅝
Over 4, up to 5	11½	11⅝	11⅞	12¼	12½	12½
Over 5, up to 6	11⅝	11¾	12⅛	12¼	12¼	12¼
Over 6, up to 7	11¾	11⅞	12⅛	12¼	12⅜	12¼
Over 7, up to 8	11⅞	11⅞	12⅛	12¼	12¼	12¼
Over 8, up to 9	11⅞	12	12	12¼	12⅛	12¼
Over 9, up to 10	12	12⅛	11⅞	12¼	12⅛	12¼
Over 10, up to 15	12⅛	11⅞	11¾	12⅛	12¼	11⅞
Over 15, up to 25	11¼	11¼	11	12	11¾	11½
Over 25	11½	11	10⅞	11⅝	11⅝	11⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BIDS AND DEALS

Norcros says its bid terms 'discount UBM's recovery'

BY RAY MAUGHAN

Norcros, the industrial conglomerate which is bidding £64m for UBM Group, believes that its 107p per share cash and equity terms discount the "substantially improved results for 1983-84" which the builders' merchant is widely expected to forecast shortly.

The terms, Norcros said, represent a "multiple of over 50 times historic fully taxed earnings per share, which takes account of UBM's expected recovery."

The formal bid documents were despatched yesterday which means that the offer will reach its first closing date on September 14. As known, Norcros is offering to exchange five of its own shares and 517p in cash for every 11 UBM shares. At an unchanged price of 132½p for each Norcros share, the terms are still standing at a significant discount to UBM's market price of 118½p, down 1p yesterday.

The 105p cash alternative has been underwritten by Norcros' financial advisor, Hill Samuel, at 127.6p pe rshare or a discount of just under 10 per cent of the prevailing Norcros price. Zanphor, described in the document as an associate of Norcros, will be used to buy UBM shares.

Returning to the theme of UBM's expected recovery this year, Norcros asks whether, on the evidence, "the present UBM management alone or as supplemented by the Norcros management is better able to sustain this improvement in subsequent years."

The bidder points out that its offer is an increase of 34 per cent on the market price of 80p for each UBM share prior to the recent bid speculation and "is higher than any price achieved by UBM shares prior to the announcement of our offer."

Norcros says that its declared policy is to expand the scope of its services to the building, construction and home improvement *markets. "Following the acquisition* of UBM," it calculates, "around three-quarters of the sales of the Norcros group will be related to the building industry, with a balance of emphasis between manufacturing and distribution."

It is likely that Norcros will request a sector reclassification from industrial holding company status to the building materials industry.

Memcom plans share sale to raise £1.3m

Memcom International Holdings, the electronic filing systems group which was thwarted by the Stock Exchange in its attempts to come to the Unlisted Securities Market, is arranging an offer for sale in the small over-the-counter market to raise a net £1.3m.

The offer for sale is described as the first on the over-the-counter market, which provides a source of finance for companies unable to tap conventional stock markets.

Early in August, Memcom announced that following advice from its financial advisers, it would not be seeking permission to place its shares on the USM. "This decision is for technical reasons," said the company, "and in no way reflects on the financial standing of the company."

Afcor Investments, the licensed dealer in securities, *is offering* for sale 1.92m ordinary shares of Memcom International Holdings.

For the year ending April 30 1984 Memcom's profits before tax are forecast at not less than £610,000, compared with a loss disclosed in the prospectus of £48,000 for the seven months ended April 30 1983. A dividend of 3p per share is forecast.

Memcom said that as a result of the increase in its current orders arising from newly signed contracts, many in the Middle East, the group requires a substantial addition to its working capital and an enlarged equity base. This is the reason for the issue.

The group said that after the issue it "will have sufficient working capital for its requirements."

The directors intend to seek permission for the company's shares to be dealt in on the USM in six to 12 months' time but for the moment the company's shares *will* be traded on *the OTC* market through licensed dealers. Dealings are expected to begin on September 7.

GLOBAL NATURAL

Global Natural Resources Inc is carrying on discussions about the sale of its Canadian provincial properties to Thomson-Jensen Energy, a Canadian partnership in the International Thomson Organisation group. Thomson-Jensen Energy will also participate in the exploration and development of Global's interests in the Canadian Arctic islands. The transactions are subject to the execution of a definite contract and approval of the directors of the companies.

YOUNG ENGINEERING

Mr Alastair Jones and Mr Roger Dickens—of Peat Marwick Birmingham—appointed as joint receivers of Young Engineering in May have sold the toy-making division to Hills Industries, based in Caerphilly, Wales.

The toy-making division manufactures the "Trytonnette" range of children's garden swings and slides. A spokesman for Hills Industries said the acquisition will complete its existing range of playtime products and should create new job opportunities.

QUEENS MOAT HOUSES

The Prudential Corporation has made changes in its notified 6.03 per cent holding in Queens Moat Holdings. The 158,250 ordinary shares previously registered in the name of Prudential Nominees are now registered as to Bass Pensions C Account 139,200 and Bass Executive Pension Trust C Account 19,050.

COMPUTER AND SYS.

Following despatch of the letter to holders at Computer and Systems Engineering of the 9.1 per cent cumulative reduced convertible preference shares, notices of conversion have been received which, when aggregated with conversions effected in previous years, amount to more than 90 per cent of the preference shares originally issued.

The company intends to give notice on August 31 1983 to holders of the preference shares of the exercise of compulsory conversion rights on the basis of five ordinary shares for each preference.

Preference shareholders will not be entitled to receive any further dividends including the payment of 4.55 per cent which would have been due for payment on September 30.

HUNTLEIGH GROUP

At an extraordinary meeting of Flight Refuelling (Holdings) shareholders approved the proposed acquisition of Huntleigh Group. This offer closes on August 26 at 3.00 pm.

Meanwhile shareholders of Huntleigh have sanctioned the sale of the group of its medical and electronics businesses to Huckguild, a company in which Mr R. Schild and Mr P. C. Epstein, directors of Huntleigh, are shareholders.

SAXON OIL

Clyde Petroleum has exercised is option to subscribe at par for 2m ordinary in Saxon Oil. These shares have been sold to institutional inevstors through the market at a price of 204.75p.

Following the earlier sale of its 10 per cent holding in May, Clyde no longer has a shareholding interest in Saxon.

BELLAIR COSMETICS

Wasskon Establishment has received no acceptances of its offer for the ordinary shares of Bellair Cosmetics. The offer was made to comply with the City code on take-overs and mergers.

Prior to the offer announcement, Wasskon held 1.94m ordinary shares (76.23 per cent) acquired from Fenton Hill International. No further shares were acquired or agreed to be acquired by Wasskon during the offer period.

ECLIPSE RAIL

Mr S. Pomeroy and Mr A. *Jones, partners in Peat, Marwick,* Mitchell who were appointed joint receivers and managers of the Eclipse Rail-Track Ladder Company on June 6 1983 have completed the sale of the assets and business of the company to Orbit Round.

Eclipse manufacture high quality timber industrial and domestic ladders and garden furniture in Bristol.

The receivers understand that it is the purchasers' intention that the business will continue to operate as a going concern.

Also the receivers recently completed the sale of the assets and business of Eclipse's sister company, Lyte Industries to Southern Imex and the receivers understand that it is their intention also that the business will continue to operate as a going concern.

TI Group in Japanese motor link-up

WHAT IS believed to be the first Anglo-Japanese joint venture into the manufacture of motor components was announced yesterday by TI Silencers, a TI Group subsidiary, and Kayaba Industry Company, a major supplier of suspension parts and hydraulic equipment to Japan's motor manufacturers.

The two companies have set up a new concern, TI Suspension Systems, which will supply suspension parts notably to Ford —including the U.S.—Renault, Seat and BMW, from a newly-acquired plant in Spain.

The new company will control the operations of AP Amortiguadores at Pamplona, which was recently acquired by TI Silencers from its U.S. Parent, Quest Corporation for £4.2m.

The deal is of considerable potential importance to Kayaba in particular, providing the company with a *foothold in Europe* at a time when interest by Japanese motor manufacturers in European assembly or manufacture is increasing. Nissan, for example, already assembles light commercial and four-wheel-drive vehicles via its stakes in Motor Iberica of Spain, and is to decide by the end of this year whether to set up a full-scale car manufacturing plant in the UK.

The new venture wil be TI Silencers' first foray into components beyond exhaust systems. TI will be responsible for management of the new venture and Kayaba will provide technological support. TI will hold 85 per cent of the equity, with Kayaba holding the right to increase its share from 15 per cent to 49 per cent.

Kayaba, which employs 4,500, had 1982 sales of £296m with a pre-tax profit of £9m.

MINING NEWS

Samancor still expects loss in current year

BY GEORGE MILLING-STANLEY

THE WEAKNESS in demand for manganese which became apparent in the second half of last year has continued into 1983. As a result, South African Manganese Amcor (Samancor), the world's largest supplier, has posted a loss for the six months to August 20.

The pre-tax loss was R12.86m (£7.6m), similar to the loss in the closing six months of the last financial year. It compares with a profit in the first half of last year of R38.81m.

At the net level, the loss was R11.55m, against profits of R18.6m in the corresponding period of last year. The loss per share was 7.72 cents, against earnings of 17.57 cents last time.

Samancor has passed its interim dividend. Last year, the interim of 5 cents was the sole payment.

As far as the outlook is concerned, the company said that there are definite signs of increasing demand, particularly for chrome alloys and silicon metal. Samancor's alloy plants are reported to be operating at almost full capacity.

Demand for manganese and ferro-manganese remains weak, the directors said.

Samancor is still expecting to make a loss for the year to the end of next February, as forecast in the recent annual report, but the directors said they are looking for a considerable improvement in the second half if current market conditions continue.

Control of Samancor passed to South Africa's General Mining Union Corporation (Gencor) last month as a result of a complicated series of deals which resolved a long-standing dispute between Gencor and Iscor, the state-controlled iron and steel producer.

Hemlo progress by Teck-Corona

FURTHER news from Canada's exciting new Hemlo gold camp in north-west Ontario is that the start of shaft-sinking has now been authorised at the Teck-International Corona Resources property. Work is expected to get under way at about the beginning of December.

The partners also report that drill-indicated ore reserves have been increased to 8.4m tonnes grading 0.36 ounces gold. The quarter claim optioned to Noranda so far remains at the previously announced additional 2.1m tonnes grading 0.32 oz gold per tonne.

Mr N. B. Keevil Jr., president and chief executive of Teck, said: "Some of these reserves require additional in-fill drilling before they can be placed into a standard engineering capacity but the continuity of the deposit is such that we would anticipate no material change in the ultimate reserve calculation."

Meanwhile, Teck and the International Corona chairman, Mr Murray Pezim, have entered into another joint venture with the latter's Noxe Petroleum. This involves a gold prospect in north-western Ontario which bears some similarities to the Hemlo-type mineralisation.

Drilling of the area in the 1940s indicated a 1,200 ft long zone of gold mineralisation. Part of this zone contains an estimated 100,000 tonnes of ore grading 0.185 oz gold over an average width (thickness) of 14 ft, it is stated.

Kamad Silver

Canada's Kamad Silver is to buy a fully-equipped mill from Dekalb Mining for use at its Homestake silver-barite property in British Columbia. The purchase will be C$1.7m (£940,000).

The property has proven reserves of 877,734 tons, grading 6 ounces of silver per ton and around 33 per cent barite.

Lower profits at Cudgen and Cons. Rutile

LARGELY because of reduced prices for rutile and a decline in ore grades lower earnings for the year to June 30 are reported by Cudgen RZ and Consolidated Rutile, the two Australian mineral sand producers controlled by South Africa's Gencor group.

Cudgen, which holds 50.1 per cent of Consolidated Rutile, reports net earnings of A$1.2m (£699,000) compared with A$1.47m in 1981-82. Consolidated Rutile has seen earnings fall by A$1m to A$3.51m. Both companies increased sales in the latest period.

Cudgen is reducing its final dividend to 3.5 cents (2p) to make a total for the past year of 6 cents against 9 cents. Consolidated Rutile has already paid two interims totalling 27.5 cents compared with 37.5 cents for the previous year.

Half-Yearly Statement to 30th June 1983

Report on the course of business

In spite of slightly lagging sales, the results in the first half year of 1983 developed in accordance with our expectations. Sales rose both in volume and in guilders by 1%. Although there were no World Cup Football Finals to provide a stimulus and consumer spending was lower in a number of West European countries, sales volume in the second quarter of 1983 trailed only slightly behind the volume achieved in the corresponding quarter of 1982. An improvement in trading profit occurred in the second quarter, but this was still not quite enough to compensate for the decrease in the first quarter. Profit after tax went up in the first half year by 18% to f 279 million (1.4% of sales). After incorporation of the results on non-consolidated companies and the share of third parties in the consolidated results, net profit rose by 4% to f 259 million.

The product sector Lighting and Batteries showed a significant rise in sales. The success of the energy-saving lamps and an improved situation on the car lamp market contributed to this. Sales of electronic components also developed favourably. A substantial impulse here came from the improved situation on the market for integrated circuits in the United States of America. Sales of consumer products went down as compared with the same period last year due to declining markets in a number of important West European and Latin American countries, the greatest effects being felt in the field of colour television sets. The rise in the sales of products for professional applications was approximately in line with the average for the Company as a whole.

In spite of lower expenditure on some products which are important to our Company and the fall in the exchange rate of a number of currencies, sales in Western Europe in terms of guilders were maintained. The development of the dollar exchange rate and new consolidations had a positive effect on sales in the geographical area USA and Canada. Even disregarding these effects, sales in this area developed favourably. As a result of the poor economic situation, sales in Latin America could not be maintained at the level of last year. A downturn in sales also occurred in Asia, particularly in the Middle East.

Entirely in line with the development of sales in the field of lighting activities and electronic components, trading profit in the relevant product sectors increased. The rise in the results of electronic components already reported in the first quarter continued and intensified in the second quarter. The unfavourable developments on the market for video and audio equipment gave rise to strong pressure on the price level. Partly because of this, trading profit fell sharply. Trading profit in the product sector Domestic Appliances and Personal Care Products went down slightly. In the field of professional equipment trading profit rose, partly as a result of the favourable course of business in medical systems. Viewed geographically, the slight drop in trading profit occurred particularly in the Netherlands and in Australia and New Zealand.

Stocks as a percentage of sales rose by 1.8% to 31.3% as compared with June 1982. Total liabilities as a percentage of total capital employed went down, partly as a result of the conversion of debenture loans into shares.

Disregarding the effect of changes in participations the number of employees has fallen by 2,100 since 1 January 1983. The decrease occurred in Europe, Africa and Australia and New Zealand.

In the month of July this year, an agreement was reached with AT & T International to establish a joint venture in public switching and transmission systems. Implementing arrangements will be executed and performed in the coming months.

The negotiations already announced with Warner and Siemens about a regrouping of interests in the field of recorded music are making good progress and it is anticipated that they can be completed within the forseeable future.

The rise in sales volume will be slightly lower than the expected level of between 4 and 5% already announced. In accordance with earlier forecasts we expect a further gradual improvement in the results for 1983 as a whole.

Amounts in millions of guilders	1983 2nd quarter	1983 Jan. to June	1982 2nd quarter	1982 Jan. to June
Sales	10,541	20,663	10,620	20,446
Trading profit	622	1,109	591	1,152
Revaluation included in costs	158	315	181	345
Financing charges	−404	−738	−425	−891
Miscellaneous income and charges	17	32	−17	25
Tax on profit	−159	−279	−123	−236
Profit after tax on the basis of historical cost	232	439	207	395
Addition to revaluation surplus realised, arising from financing with Shareholders' interests	−74	−160	−83	−159
Profit after tax	158	279	124	236
Share in net result of non-consolidated companies	15	33	34	56
Minority interests	−36	−53	−24	−42
Net profit	137	259	134	250
Trading profit as a percentage of sales	5.9	5.4	5.6	5.6
Profit after tax as a percentage of sales	1.5	1.4	1.2	1.2
Net profit as a percentage of Shareholders' interests	4.3	4.0	4.2	4.0
Net profit per ordinary share of f 10 (in guilders)	0.72	1.37	0.73	1.37
Do. per ordinary share of f 10 based on historical cost (in guilders)	1.05	2.15	1.10	2.13

At end of June	1983	1982
Stocks (as a percentage of sales in the last 12 months)	31.3	29.5
Average credit period for trade debtors (in months)	2.5	2.4
Liquid assets	1,036	1,016
Total liabilities as a percentage of total capital employed	58.7	59.1
Number of employees (comparative number at 1 January 1983: 343,300)	341,200	343,700
of which in the Netherlands (comparative number at 1 January 1983: 73,000)	72,100	75,100

*This report combines the consolidated figures of N.V. Philips' Gloeilampenfabrieken and those of the United States Philips Trust.

The profit before tax based on current value was f 558 million in the first half year of 1983 compared with f 472 million in the first half year of 1982.

In calculating profit and capital employed, allowance has been made for an estimated proportion of those provisions which, as anticipated, will have to be made at the end of the financial year.

Net profit per ordinary share of f 10 (in guilders) in 1983 and 1982 has been calculated on the basis of the number of ordinary shares as at 30 June 1983 and 31 December 1982.

N.V. Philips' Gloeilampenfabrieken
THE BOARD OF MANAGEMENT

Eindhoven, 18 August 1983.

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SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday August 25 1983

Lacklustre trading in Eurodollar bonds, Page 36

WALL STREET

Fed keeps traders guessing

THE OUTLOOK for interest rates was again the focus of attention on Wall Street yesterday. The market's attempts to detect the hand of the Federal Reserve Board in market operations were made additionally difficult by the traditional weekly make-up day operations by the banks. Traders were reluctant to draw too many conclusions from an early fall in the Federal Funds rate to 9⅛ per cent, *writes Terry Byland in New York.*

The bond market closed firmly, behind a further easing in the Federal Funds rate to 9⅛ per cent. Final quotations for the long bond, at 104, showed a yield of 11.52 per cent.

The stock market made little response to the firmness of bond prices and fell back in thinnish trading. By the close, the Dow Jones industrial average was 8.64 down at 1184.25. Volume increased to 72.2m shares with 999 issues showing losses and 543 recording gains.

IBM shed $2⅛ to $116½ but firm spots among computer and high tech stocks were NCR $1¼ higher at $111, National Semiconductor $⅛ up at $47⅞ although Texas Instruments shed $⅝ to close the day at $114¼.

MCI Communications recovered $¾ of its loss to stand at $16 on 9.2m shares traded, less than one third of the turnover of the previous session. Opinions varied among market analysts over the significance of a published document from the Federal Communications Commission on guidelines for payments to AT & T when the Bell system is broken up.

Firm spots among the leading issues were PepsiCo, which added $¼ to $33½ in active trading.

The retail sector responded to trading results from the industry. Toys R Us, the leader in the toy retailing business, slipped by $1¼ to $39⅝ despite good results. Analysts commented that the shares had been heavily bought ahead of the results.

American Stores, with a chain of outlets throughout the Midwest and South of the U.S., put on $¼ to $33¼ after disclosing higher second-quarter earnings.

There was strong turnover in stocks of U.S. Steel, closing at $27½, Chrysler, $1⅜ off at $23½ and AT&T, which slipped $1 to $65½.

On the American Stock Exchange, shares in computer maker Amdahl rallied $⅜ to $17⅛ after the board had calmed fears over a delay in introducing the latest model line.

Warrants in Petro Lewis, the operator of oil search syndications, dropped $⅛ to $6. Shares in Menan Oil were suspended at $9⅞ following news of a possible acquisition.

Mixed changes among the chemical issues left Du Pont $1⅛ up at $52⅞ but American Cynamid $⅜ off at $53.

In the credit market, yields on Treasury Bills fell by about 10 basis points at first but the declines were reduced when the Federal Funds rate traded slightly above its opening level.

The three month bill stood at a discount of 9.13 per cent, five basis points off, and the six month at 9.24 was a similar amount down.

The longer end of the market showed gains to about ⅜ of a point, with the key bond, the 12 per cent of 2013, holding firm at its peak. But trading was low, and retail buyers largely absent.

Municipal issues traded at slightly lower yields, reflecting the trend of the Federal bonds. Corporate issues remained quiet.

LONDON

Nerves show as shake-out progresses

LONDON equity markets traded nervously and lower again yesterday. A continuation of Tuesday's shake-out had by 1pm brought the FT Industrial Ordinary share index back 9 points more for a drop of over 25 points from Monday's record high, but the measure then rallied to close a net 7.4 down on the day at 716.6.

Concern about further public spending cuts and increased personal taxes, British Industrial and General Trust's liquidation of its £12m-plus equity portfolio and over-commitment in Irish Sea and other oil exploration stocks were again responsible for the loss of confidence. A report predicting that the UK economic recovery would fade and inflation rise next year further depressed equity markets.

Illustrating the trend of leading shares, only two constituents of the 30-share index managed plus signs.

An uninspiring performance by Wall Street, the fresh decline in UK equities and a lack-lustre showing by the bullion price produced a general round of profit-taking throughout mining markets. *Details, Page 29; Share Information Service 30–31.*

EUROPE

Bullish tone continues in Paris

THE BULLISH tone, which has pushed indices to record highs in recent days, spilled over into yesterday's session in Paris. Prices closed strongly higher on the first day of the new monthly account.

Even Wall Street's weakness and the renewed strength of the dollar had no apparent influence on the market.

Banks and foods rose particularly strongly. Cie Bancaire surged FFr 22 to FFr 339 and Perrier put on FFr 7.5 to FFr 343.

The higher dollar encouraged foreign investors in **Frankfurt** to return to the market and the Commerzbank index shed 0.7 to end at 936.5.

Deutsche Bank regained DM 4.50 to DM 314.50 after the previous day's slide on reports of a halt in Brazilian debt repayments. Bayerische Vereinsbank was up DM 2 to DM 317, while Dresdner Bank dropped DM 1.10 to DM 171 and Commerzbank shed 20 pfg to DM 169.50.

Electricals did well, with AEG up DM 1.40 to DM 70.90 and Brown Boveri DM 2.90 higher to DM 202.

Domestic bonds varied, with losses of as much as 0.20 points and gains of 0.15 points in very quiet and featureless trading.

Most stock moved lower in **Amsterdam**, but banks showed especially sharp declines because of disappointing half-year results. ABN dropped Fl 8 to Fl 370 and NMB lost Fl 3 to Fl 147.

In internationals, Akzo nearly doubled its morning losses, to end down Fl 1.50 to Fl 76.70. KLM also shed Fl 1.30 to Fl 149.50.

Bonds were unchanged. The ANP-CBS general index closed down 2.10 at 139.70.

In **Brussels**, stocks closed mixed to slightly lower in trading that was dampened by interest rate uncertainties. Steel and related stocks performed well, with Cockerill-Sambre gaining a further BFr 2 at BFr 166 and Arbed up BFr 32 to BFr 1,354.

Acec, the engineering company, was down BFr 8 at BFr 642, while Fabrique Nationale (FN), which on Tuesday signed a BFr 800m contract to supply escalators for the Belgian subway system, remained steady.

The move by major banks to raise interests rates for medium-term notes on Tuesday, left investors nervous in **Zurich**. Stock closed lower in thin trading and the Credit Suisse index ended down 2.3 to 285.7.

Milan closed generally lower amid uncertainty over Friday's meeting of the new Socialist Government, its first after the summer break. Quiet trading also took **Madrid** and **Stockholm** lower.

TOKYO

Yen's plunge leads to profit-taking

AN OVERNIGHT drop on both the New York and London exchanges, combined with the yen's plunge against the U.S. dollar led to profit-taking in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones average of 225 select issues continued to fall, finishing the day at 9,147.34, off 21.84. Volume also declined from Tuesday's 432m shares to an estimated 320m shares. Losses outnumbered gains 360 to 289, with 191 issues unchanged.

As investors had no clear outlook on future price moves, because of the decline on overseas markets and the yen's depreciation, buying of speculatives increased, while internationals came under selling pressure.

These blue chips went down on small-lot selling. TDK plummeted Y120 to Y5,450, Sony Y60 to Y3,300 and Matsushita Electric Industrial Y20 to Y1,620. Medium-priced blue-chip issues which had been sought in recent sessions were also in the minus column. They included Oki Electric, down Y13 to Y717, and Citizen, Y20 to Y560.

Speculative leaders were bought, with Arabian Oil rocketing Y650 to Y6,950 and Keisei Electric Railway edging up Y5 to Y296. However, profit-taking sent Japan Line down Y6 to Y200 and Aoki Construction Y2 to Y628.

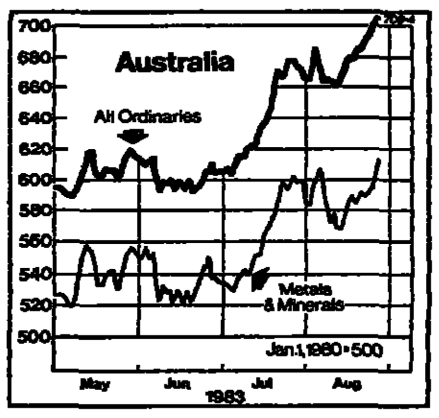
Although Hitachi was weak in the morning, in the afternoon it rallied on speculative buying by securities houses, advancing Y3 to Y884. This applied the brake to the general downtrend in share prices.

In the meantime, pharmaceuticals firmed on persistent rumours of new drug developments. Banyu Pharmaceutical leaped Y160 to Y1,360, Toyama Chemical Y29 to Y810 and Green Cross Y20 to Y1,880.

Brokers apparently wanted to make blue chips a major market-leading force, but were shackled by a high margin buying balance, so investors sought speculative leaders for immediate profit. Securities analysts said a fully-fledged upturn could not be expected unless the downward direction of U.S. interest rates became clearer.

Bond prices eased off, with continued selling by city, regional and trust banks, as well as smaller financial institutions.

As yield on the barometer 7.7 per cent government bonds, with a little more than six years remaining to maturity, came closer to the 7.73–7.74 per cent range regarded by many financial organisations as the likely ceiling for the present, the bonds were sold in lots of Y2bn to Y5bn. However, with institutional investors remaining on the sidelines, these bonds were primarily purchased by brokers.



AUSTRALIA

Post-budget buying spree gathers pace

PENT-UP buying demand flooded the market in **Sydney** and **Melbourne** after the Federal Government released its budget on Tuesday night, and the All Ordinaries index pushed above the 700 level for the first time in more than two years.

The index, which was up as much as 17 points during the day, eased to finish at 708.4, up 14.

The resource sector led with especially sharp gains, and the base metal, oil and gas sectors were also stronger in reaction to the Government's failure to impose a tax on resources.

CRA rose 24 cents to A$6.14, MIM added 12 cents to A$4.60, North Broken Hill firmed 10 cents to A$3.38 and Western Mining ended up 16 cents at A$5.20. Western Mining has agreed in principle to acquire Mesa Australia for US$35.4m, subject to Government approval.

HONG KONG

BETTER than expected first-half profits from Hongkong and Shanghai Bank failed to ignite buying interest in **Hong Kong** yesterday.

The Hang Seng index slipped 10.96 to 982.18, its lowest since June 30.

Although Hongkong Bank rose 5 cents to HK$ 7.90, after reporting profits up 8.6 per cent it failed to drag other stock along.

Jardines fell 20 cents to HK$ 13, Swire Pacific "A" lost 20 cents to HK$ 14.80 and Cheung Kong slipped 10 cents to HK$ 8.10.

SINGAPORE

STRONG trading in the final hour took indices in **Singapore** to new highs. The Straits Times industrial index rose 4.65 to close at 989.75.

Malaysian United Industries closed 24 cents higher at S$3.44 and Genting rose 10 cents to S$5.

Trading in Straits Steamship was suspended until Monday after Keppel Shipyard made a general offer at S$1.98 per share. Straits was unchanged at S$1.92.

SOUTH AFRICA

GOLD shares eased with the bullion price and closed at or near their lows for the day in **Johannesburg**. In moderate trading, Randfontein shed R2 to R168 and Driefontein R1 to R42 among heavyweights, while losses among cheaper priced gold producers ranged to 25 cents for Zandpan, which closed at R16.75.

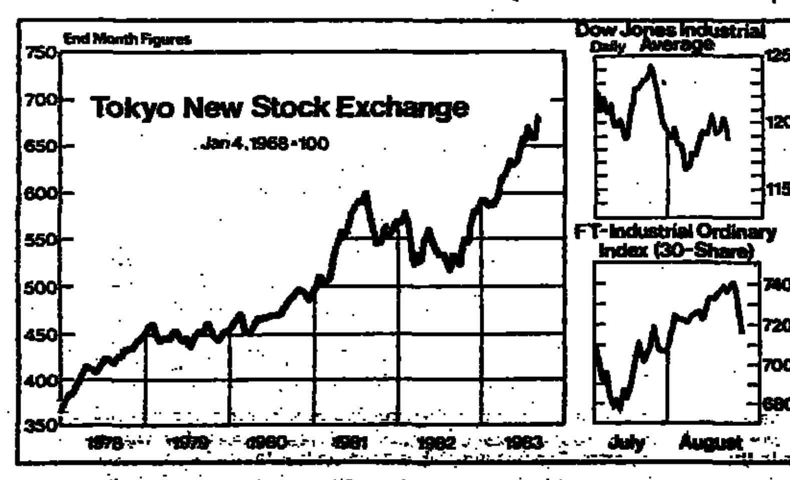
Other minings and financials, with the exception of platinums, followed the downward trend.

CANADA

TRADING maintained its recent lacklustre path in **Toronto**, although stocks turned mixed at mid-session after opening lower. Metals and minerals and oil and gas issues registered the biggest declines, but golds were a bright spot. Other notable gains were Nova Scotia Savings and Loan, up C$1½ to C$32½, and Lac Minerals, which put on C$1¼ to C$38⅛.

Montreal stocks were generally easier, but papers held firm.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Aug 24	Previous	Year ago
DJ Industrials	1184.25	1192.89	874.9
DJ Transport	524.86	530.83	338.95
DJ Utilities	130.59	131.17	115.31
S&P Composite	161.25	162.7	115.34
LONDON			
FT Ind Ord	716.6	724.0	558.4
FT-A All-share	454.52	459.07	341.38
FT-A 500	491.63	496.43	373.89
FT-A Ind	442.87	447.55	346.38
FT Gold mines	666.2	668.2	297.9
FT Govt secs	79.63	79.67	78.13
TOKYO			
Nikkei-Dow	9147.34	9169.18	7088.99
Tokyo SE	678.85	680.39	527.06
AUSTRALIA			
All Ord.	708.4	694.4	473.2
Metals & Mins.	613.6	595.8	380.7
AUSTRIA			
Credit Aktien	55.08	55.32	48.2
BELGIUM			
Belgian SE	133.85	134.16	94.61
CANADA			
Toronto Composite	2447.4	2450.7	1550.3
Montreal Industrials	434.53	435.74	280.85
Combined	408.85	409.39	267.24
DENMARK			
Copenhagen SE	182.97	181.3	88.44
FRANCE			
CAC Gen	137.4	137.3	96.7
Ind. Tendance	146.3	145.0	112.1
WEST GERMANY			
FAZ-Aktien	315.79	315.92	220.77
Commerzbank	936.5	937.2	673.4
HONG KONG			
Hang Seng	982.18	993.14	1034.88
ITALY			
Banca Comm.	204.71	206.21	172.83
NETHERLANDS			
ANP-CBS Gen	139.7	141.8	87.1
ANP-CBS Ind	114.3	115.8	68.4
NORWAY			
Oslo SE	201.01	207.02	105.58
SINGAPORE			
Straits Times	989.75	985.1	611.69
SOUTH AFRICA			
Golds	944.3	955.5	555.8
Industrials	928.5	929.1	604.8
SPAIN			
Madrid SE	117.03	117.72	109.88
SWEDEN			
J & P	1434.8	1475.16	619.19
SWITZERLAND			
Swiss Bank Corp	336.8	338.0	246.4
WORLD	Aug 23	Prev	Yr ago
Capital Int'l	178.3	179.3	131.2

GOLD (per ounce)

	Aug 24	Prev
London	$423.875	$425.625
Frankfurt	$424.25	$426.25
Zürich	$424.50	$427.50
Paris (fixing)	$422.21	$425.71
New York (Aug)	$422.00 *	$425.20

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Aug 24	U.S. DOLLAR Previous	STERLING Aug 24	STERLING Previous
£	1.519	1.529	–	–
DM	2.64	2.6325	4.01	4.025
Yen	243.15	243.3	370.25	372
FFr	7.95	7.9275	12.0775	12.115
SwFr	2.15	2.141	3.2675	3.275
Guilder	2.9535	2.9440	4.485	4.485
Lira	1576.5	1568	2394.5	2.396
BFr	52.95	52.74	80.52	80.6
C$	1.23025	1.23125	1.8685	1.882

INTEREST RATES

	Aug 24	Prev
Euro-currencies (three month offered rate)		
£	9⅞	9 13/16
SwFr	4⅝	4¾
DM	5 7/16	5⅜
FFr	15⅛	14¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 5/16	10 7/16
6-month U.S.$	10 9/16	10 7/16
U.S. Fed Funds	9⅛	9 5/16
U.S. 3-month CDs	9.65	9.6
U.S. 3-month T-bills	9.13	9.19

U.S. Treasury Bonds

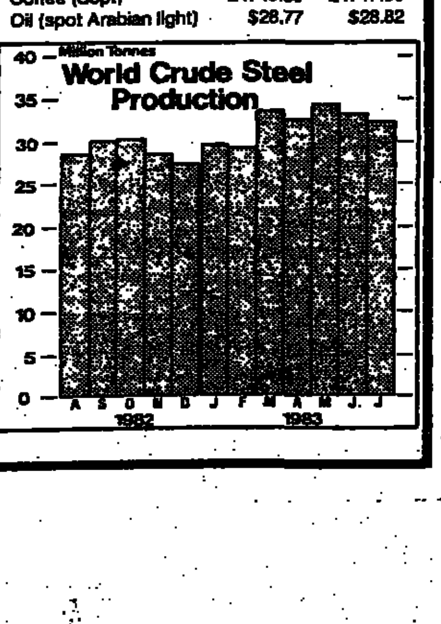
		Aug 24 Price	Aug 24 Yield	Prev Price	Prev Yield
10⅜	1985	99 29/32	10.67	99 24/32	10.67
10⅜	1990	96 29/32	11.39	101 18/32	10.35
11⅞	1993	102 1/32	11.52	102 9/32	11.52
12	2013	103 1/32	11.52	103 29/32	11.54

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
September	72–14	72–22	72–05	72–05
U.S. Treasury Bills (IMM) $1m points of 100%				
September	90.97	90.97	90.87	90.84
Cert Deposit (IMM) $1m points of 100%				
September	90.32	90.36	90.26	90.24
LONDON				
Three-month Eurodollar $1m points of 100%				
September	90.00	90.00	89.91	89.98
20-year Notional Gilt £50,000 32nds of 100%				
September	102–16	102–80	102–00	102–15

LONDON COMMODITY MARKETS

	Aug 24	Prev
Silver (spot fixing)	823.45p	831.70p
Copper (cash)	£1069.00	£1064.00
Coffee (Sept)	£1719.50	£1717.50
Oil (spot Arabian light)	$28.77	$28.82



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅞	5⅜	AAR	.44	2.8	22	106	16	14⅝	15⅝	+1
37⅞	29	ACF	1.40	4.1	40	35	34¼	33¼	33¼	-½
20	14	AMF	.50	3.1		366	16⅛	16	16⅛	+⅛
38¼	13¾	AMR Cp			40	5786	28	26⅝	27	-¾
18¼	14¼	AMR	pf2.18	12		3	18⅛	18⅛	18⅛	
39⅜	24⅞	AMR	pf2.13	7.1		267	31¼	30	30	-1
14⅞	2½	APL				61	13¼	12⅞	12⅞	-⅛
55	28	ARA	2.05	4.2	12	78	48¼	48	48⅛	+¼
79⅞	34¼	ASA	3a	4.3		274	70¼	69⅝	69⅝	-⅛
33¼	9¾	AVX	s .32	1.3	58	166	24⅞	23	23⅝	-¾
50¼	30¾	AbtLab	1	2.1	19	900	48⅛	47¾	48	
30¼	25	AccoW	n .50	2.0	19	26	25	d24⅞	25	-½
27½	16¾	AcmeC	.40	1.8		32	21⅞	21⅝	21¾	-⅛
14⅛	6⅞	AcmeE	.32b	2.7	27	38	12	11¾	11⅞	-⅛
21½	5½	AdmDg	.04	.2	16	10	19⅝	19¼	19¼	-¼
17⅞	13¼	AdaEx	1.73e	10		71	17¼	17	17	-⅛
19⅞	6⅞	AdmMl	.24	1.4	9	23	17⅞	17⅞	17⅞	-⅛
28	12⅝	Advest	s .16	.6	9	62	25⅛	24⅝	24⅝	-⅛
34⅞	7⅞	AMD	s		58	2901	26⅞	26⅝	26¾	-¾
44½	32⅞	AetnLf	2.64	7.4	7	2285	35⅞	35½	35⅞	
66	52⅝	AetL	pf4.94e	8.6		100	57¼	57¼	57¼	+¼
40½	12¼	Ahmns	.60	2.3	15	576	26⅛	26	26⅛	-⅛
7⅞	2⅛	Aileen				62	6¼	6⅛	6¼	
60⅞	26⅞	AirPrd	1	2.2	13	2488	46⅞	45½	45½	-1⅛
27¼	10¼	ArbFrt	.60	2.9	21	256	20¾	20½	20¾	+⅛
3⅛	2	AlMoa	n		20	1579	3	2⅞	3	+⅛

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22½	5¼	AAV	.32	2.3	12	7	14⅛	14	14⅛	-⅛
4⅛	2½	AlCPn				2	3⅛	3⅛	3⅛	+⅛
6¼	1½	ATI				100	3⅞	3⅞	3⅞	
19½	9½	AcmeU	s.32	1.9	19	4	16⅝	16½	16½	-¼
14⅞	1⅞	Action	s		10	718	12⅞	11⅞	12⅞	+1½
12	5⅛	Actons			26	114	7⅝	7½	7½	-⅛
6½	1⅛	Acton	wt			7	3⅛	3⅛	3⅛	-⅛
8	1⅞	AdmRs				75	5⅞	5⅞	5⅞	+⅛
30⅞	12⅛	AdRust	s.10	.4	17	141	26	25⅞	26⅛	-⅛
28⅞	12⅛	Adobe	.20	.8	17	6	26⅝	25½	25½	-⅛
5⅛	2	AeroCp			13	22	3⅛	3⅛	3⅛	
24⅞	10½	Agrnb	n		19	73	19⅝	19⅛	19⅝	-⅛
7	3	Aerona			6	42	4½	4½	4½	+⅛
32½	9⅞	AlbHsp	.36	1.3	12	3	27	27	27	
45	16½	AlRPs	s.64	1.6	18	15	40½	40½	40½	
17½	3⅞	AirSx			12	38	14½	13⅞	13⅞	-⅛
15½	6½	AirExp				118	6⅞	6⅝	6⅝	-⅛
6⅛	4⅞	Alamc	n		12	63	5⅝	5½	5⅝	
23⅞	3⅞	AlbaW	.16e	.9	14	2	18⅝	18⅝	18⅝	-⅛
12⅛	3	AlnTr	s			2	8½	8½	8½	
12⅛	7⅛	AlmySt		1.7		1	11⅛	11⅛	11⅛	-⅛
10½	5⅛	AlphaA				10	7⅛	7⅛	7⅛	-⅛
28⅞	11	Alphal	s.05	.3	26	11	18⅛	18⅛	18⅛	-⅛
19⅞	8⅛	Altamil	.40	2.1	10	25	u19⅛	19	19	-⅛
1⅞	½	AltecC				14	1⅛	1⅛	1⅛	
2⅞	1½	Altex				543	2⅛	1⅞	2⅛	+⅛
11-16	1-16	ABau	wt			1	7-16	7-16	7-16	-1-16
32⅞	7⅛	AlzaCp				78	27⅛	27⅛	27⅛	-⅛
29⅞	10⅞	Amdhl	s.20	1.2	48	2425	17⅛	16⅞	17⅛	+⅛
25⅞	5⅞	Ametx	s.08	.4	24	157	19⅛	18⅞	18⅞	-⅛
7½	3½	ABiz	n.15	2.4	36	44	6⅛	6⅛	6⅛	-⅛
5	1	AmCap				10	3⅛	3⅛	3⅛	
39	18⅛	AComnt	.80	2.1	9	4	37⅛	37⅛	37⅛	
44⅛	11⅞	AExp	wt			152	33⅛	32⅞	32⅞	+⅛
[illegible]										

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
76¾	52½	WPacI			14	18	73½	73	73¼	+¾
54¼	28⅝	WUnion	1.40	3.8	11	730	37¼	36⅝	36⅞	-½
120	66	WnUn	pf4.60	5.1		1	90	90	90	-1¼
10⅛	8½	WUn	dpf1.18	12.		9	9⅝	9½	9½	+⅛
22½	17⅞	WUTl	pf2.56	13		4	20¼	20¼	20¼	-⅛
53⅞	29⅞	WestgE	1.80	4.3	9	1982	42¼	41⅞	42¼	+¼
36	19⅞	Wesvc	1.20	3.9	15	79	31⅛	30⅞	31⅛	+⅛
41⅞	27⅞	Weyerh	1.30	3.8	65	1126	34½	33⅞	33⅞	-⅛
52⅛	37¼	Weyr	pf2.80	6.5		244	43¼	43	43⅛	-⅛
57⅛	44⅞	Weyr	pr4.50	9.5		264	48⅛	47¼	47¼	-⅛
63½	46⅛	WhelLE	5.75	9.5		z30	60½	60½	60½	+½
34⅞	12⅞	WhelPt				48	23⅞	23¼	23½	
46	34	WhPit	pf 6	14.		z100	42	41⅞	42	+½

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 27

[illegible]

CANADA

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

Aug. 24	Price Aust. $	+ or —
ANZ Group	4.68	+0.08
Acrow Aust.	1.30	—0.05
A.O.D.	0.96	+0.03
Ampol Pet.	1.63	+0.01
Assoc Pulp Pap.	1.85	......
Aust Cons Ind.	1.63	+0.02
Aust. Guarant.	2.3	......
Aust. Nat. Inds.	2.90	+0.15
Aust. Paper	2.3	+0.01
Bond Hldgs.	1.15	+0.05
Boral	3.30	+0.15
Bl'ville Copper	3.06	+0.03
Brambles Inds.	2.67	—0.01
Bridge Oil	3.4	+0.01
BHP	11.80	+0.15
CRA	6.14	+0.24
CSR	4.35	+0.20
Carlton & Utd.	3.02	+0.14
Castlemaine Tys.	4.1	+0.1
Coles (G.J.)	3.25	+0.15
Comalco	3.35	+0.15
Consolidated Pet	0.25	+0.01
Costain	1.45	......
Dunlop	1.34	+0.02
E.Z. Ind.	6.16	+0.16
Elders IXL	4.17	—0.02
Energy Res.	1.60	+0.05
Gen Prop Trust	1.75	+0.05
Griffin Coal	6.66	......
Hardie (J.)	4.0	......
Hartogen Energy	3.3	+0.2
Herald W'y Times	2.7	......
ICI Aust.	2.15	+0.05
Jimb'lana (50cFP)	0.26	......
Kia Ora Gold	0.25	+0.01
Lend Lease	5.10	+0.15
[illegible]	[illegible]	[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

TORONTO Composite

[illegible]

N.B. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

[illegible]

MARKET REPORT

Equities remain nervous and lacking in confidence

Index falls 7.4 more to 716.6

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equity markets traded nervously and lower again yesterday. A continuation of Tuesday's shake-out had, by 1 pm, brought the FT Industrial Ordinary share index back 9 points more for a drop of over 25 points from Monday's record high, but the measure thereafter rallied to close a net 7.4 down on the day at 716.6.

Concern about further public spending cuts and/or increased personal taxes, British Industrial and General Trust's liquidation of its £12m-plus equity portfolio and over-commitment in Irish Sea and other oil exploration stocks remained the factors responsible for the loss of confidence. NIESR's prediction that the UK economic recovery would fade and inflation rise next year further depressed equity markets.

Some fresh selling was evident, but not on Tuesday's reported scale which, in retrospect, was probably exaggerated because total equity turnover, the figures for which were released yesterday, indicated, indicated a below-average business volume. Owing to the current sensitive nature of most sectors, however, offerings yesterday were again often difficult to place.

Illustrating the trend of leading shares, only two constituents of the 30-share index managed plus signs. ICI rallied from early dullness to close 2 up on balance at 524p, while London Brick improved the same amount to 85p. The latter confirmed, in its interim statement, that it would not pursue courtship of Ibstock Johnsen despite recent Monopolies Commission permission to go ahead; losses among remaining constituents extended to 6 pence.

The announcement of last month's disappointing trade returns made scant impression on Government securities. The accent in the market stayed on index-linked stocks which established further gains ranging to a point as fresh demand found stock in increasingly short supply. Conventional Gilts traded quietly and eventually reduced early losses to end marginally easier in places.

Pearl dip and rally

Profit-taking after the interim results saw Pearl touch 694p, but a subsequent rally left the close only a few pence lower on balance at 709p. Other life issues drifted down with falls of 8 seen in Hambro Life, 420p, and Prudential, 478p. Legal and General relinquished 6 to 496p as did London and Manchester, to 424p. Elsewhere, Composites were featured by a fall of 15 in Royals to 530 on reports that the group faces substantial claims in the wake of hurricane Alicia in the U.S. General Accident gave up 8 at 452p and Eagle Star 7 to 450p, while Phoenix closed 6 off at 332p.

Standard Chartered lost 10, making a two-day decline of 32 to 460p, following the interim results. Grindlays, still reflecting fading bid hopes, cheapened 5 more to 150p. Dull German issues had Commerzbank 12 easier at 843p and Deutsche 1½ lower at £77. Among irregular major clearers, Barclays lost 8 to 470p and NatWest improved 5 to 600p.

Included in the list of Unlisted Securities Market casualties were Scusa, down 6 more at 108p, and Aaronite, which slipped 5 to 147p.

London Brick responded to the interim results and cofirmation that the company does not intend to make a fresh offer for Ibstock Johnsen with a rise of 2 to 85p, after 86p. Ibstock, in contrast, reacted to 154p before rallying to close 4 down on balance at 159p. Sharply lower interim profits caused weakness in D. Crouch, which fell 7 to 68p, while Taylor Woodrow remained on offer and eased 9 to 535p despite satisfactory half-year results. Other contracting issues to give ground included Costain, 206p, and Marchwell, 200p, down 6 apiece. Fresh selling left French Kier 5 cheaper at 100p. Redland gave up 6 to 240p, while Blue Circle, awaiting today's half-year statement, eased 5 to 445p.

Easier initially at 518p, ICI rallied on bear-closing to close a couple of pence firmer on balance at 524p. Novo Industries moved ahead strongly to £215 on on the good interim results before settling at £207 for a rise of 14½ points. Rentokil remained on offer following the half-year figures and reacted 6 further to 130p.

Fraser react afresh

Small sellers continued to hold sway among major Retailers. Burton, rumoured recently to be arranging a substantial share placing to fund the purchase of John Collier and Richard Shops from Hanson Trust, were particularly dull and fell 8 to 321p. Habitat-Mothercare shed 6 to record a two-day loss of 12 at 288p while Woolworth, 280p, and W. H. Smith A, 124p, eased 4 and 6 respectively. Weak late on Tuesday following the announcement of a Department of Trade investigation into shareholdings in the group, House of Fraser dipped further to 224p before settling a net 4 down at 228p, a two-day fall of 18; perennial protagonists Lonrho closed 6 lower at 103p with sentiment unsettled by the sale of some 2m shares by Gulf Fisheries. I. D. and S. Rivlin firmed 5 more to 75p on confirmation that Hawley and British Car Auction have each acquired 400,000 shares in the company.

Defence stocks in Electricals remained friendless on fears of further Government spending cuts. Ferranti softened 7 more to 603p, Racal 4 to 473p and GEC a penny to 209p. Plessey held at 198p. Thorn EMI lost 7 more to 588p and Cable and Wireless ended 10 down at 500p. BSR, on the other hand, rose 6 to 170p, 173p, on buying in anticipation of today's interim results. Webber Electro Components advanced 15 to 235p following the interim results and proposed rights issue. MK rallied 7 to 310p and Whitworth put on 4 to 84p.

Leading Engineers followed the lower trend, GKN reacting 5 to 178p and TI closing a couple of pence easier at 154p. John Brown ended 2 lower at 20p following news that negotiations for the proposed sale of its subsidiary, John Brown Engineering, to Hawker Siddeley had been abandoned; Hawker gave up 6 to 308p. Secondary issues encountered scattered offerings. Falls of around 5 were marked against Babcock, 173p, Haden, 270p, and Stavely Industries, 258p. Planet Group, a recent speculative favourite, reacted 4 to 55p, while, following interim figures, Rotork eased a penny to 63. Against the trend, Thomas Robinson gained 4 to 38p on a bout of specualtive activity.

Movements among Foods were again usually against holders. Associated Dairies, full-year figures due at the end of the month, fell 6 more to 160p; around 4.5m shares were placed through the market at slightly below the closing price. Elsewhere in retailers, falls of 4 were common to Nurdin and Peacock, 140p, and Linfood, 312p, while Tesco eased a couple of pence to 147p. Further consideration of the merger clipped a penny from Argyll, 122p, and 4 from Amalgamated Distilled Products, 158p.

Hotels also lacked support. Grand Metropolitan shed 4 for a two-day fall of 11 at 334p. Ladbroke closed 3 cheaper at 220p.

Turner and Newall fall

Asbestos manufacturers Turner and Newall and Cape Industries were notable casualties in miscellaneous industrials, the former closing 6 down at 60p and the latter 7 lower at 150p following the further tightening of controls on the use of asbestos in the UK. Elsewhere, Glaxo touched 790p on renewed profit-taking before rallying to close unaltered on balance at 810p. Unilever lost 15 to 760p and BOC declined 6 to 228p as did Bowater, to 232p. Rank Organisation, on the other hand, rose 5 to 183p following revived speculative interest. Continuing to draw strength from the excellent interim results and the board's confident remarks about second-half prospects, Copydex rose 6 for a two-day jump of 28 to 98p. Down 80 the previous day, Bellair Cosmetics rebounded 100p to 600p on renewed speculative buying, while M.Y. Dart hardened 2½ to 24½p for the same reason. Old bid favourite Pauls and Whites moved up 7 to 255p and NMW Computers were notable for a rise of 15 at 230p. Profit-taking in the wake of the interim figures left Hawley 10 down at 175p, while Pritchard Services gave up 5 more to 170p on further consideration of the proposed £24.3m rights issue, called partly to finance the group's share-exchange bid for Spring Grove; the latter eased a penny further to 46p. Awaiting today's interim results, Bath and Portland eased 4 to 102p. British Aerospace lost 5 to 170p with sentiment still affected by fears of defence spending cuts.

Motor and Aircraft component manufacturers finished a shade lower after another quiet trade. Lucas fell 5 to 163p, while AE eased 2½ to 62½p, around 4 lower than the agreed share-exchange offer from GKN. Among Distributors, Lex Service continued to react to profit-taking and gave up 10 more to 343p.

Newspapers again displayed modest falls; Daily Mail "A," 735p, and Associated, 370p, both eased 5, while Fleet shed 4 to 113p. International Thomson, on the other hand, firmed 6 to 620p following the first-half figures. Papers featured a late rally in John Waddington which closed 17 dearer at 261p, while suitors British Printing and Communication eased 4 to 106p; the latter's offer has received acceptances as to 45.85 per cent of the ordinary capital and has been extended until 3.00 pm tomorrow. Scattered support was again noted for Richard Clay, 2 harder for a three-day gain of 18 at 89p.

Leading Properties drifted lower on lack of support. Land Securities softened 3 to 310p as did MEPC, to 210p. Elsewhere, Slough Estates closed a penny off at 102p, after 100p, following the interim results. Trust Securities ran into fresh nervous selling and touched 26p before closing a net 2 down at 28p on continuing concern about the proposed Stockley Park development. Edenspring, on the other hand, attracted renewed speculative support and improved 1¾ to 12½p. Australian concern Lend Lease gained 6 to 294p.

Trusts trended easier again, but RIT and Northern hardened to 231p on the chairman's statement with the full accounts.

Atlantic down again

Irish Sea exploration issues came under further selling pressure and, despite several attempted rallies, Atlantic Resources closed around the day's lowest with a fresh fall of 75 to 285p. Aran finished above the worst with a loss of 4 at 34p, after 32p, but Eglinton closed without alteration at 150p after touching 130p. Elsewhere, Floyd Oil reacted 10 to 93p on the proposed rights issue. Leading Oils trended easier initially, but recovered to close with little alteration on balance. Britoil, however, closed 6 lower at 238p in front of today's half-yearly figures, while Lasmo fell afresh to 328p following comment on the interim results before rallying to settle with a fall 12 on balance at 340p.

De Beers weak

An uninspiring performance by Wall Street, the fresh decline in UK equities and a lack-lustre showing by the bullion price produced a general round of profit-taking throughout mining markets.

De Beers were the day's most active stock and dropped a further 30 to 635p as renewed and persistent Johannesburg and European selling followed the disappointing interim results which pared the share price by 15 on Tuesday.

Other notable weak spots included Platinums, which retreated in the face of substantial profit-taking. Impala dropped 26 to 920p, Rustenburg 18 to 798p and Lydenburg 5 to 575p.

London Financials were also persistently sold with all four of the leading issues unsettled by the equity market weakness.

The initial selling pressure, which produced double figure losses in RTZ and Gold Fields, abated in afternoon trading and the latter rallied to close a net 7 lower at 618p while the former were finally quoted 8 cheaper on balance at 647p.

Charter fell 5 to 263p, reflecting the adverse effects of asbestos controls on its subsidiary, Cape Industries. Hampton Areas gave up 4 to 224p.

South African Golds began the day under pressure and continued to drift throughout the session, although losses were kept to minimal levels. The Gold Mines index showed a 2.0 decline at 666.2, while bullion closed $1.75 cheaper at $423.875 an ounce.

South African Financials provided a firm feature in "Johnnies" which moved up £2 to £92 in the wake of the better than expected full-year profits and the increased dividend.

The enthusiastic response of overnight Sydney and Melbourne markets to the Federal budget, details of which were known in market hours in London on Tuesday afternoon, failed to produce any widespread demand for Australians, although a number of Gold issues made good progress.

Gold Mines of Kalgoorlie were a feature and jumped 50 to 680p, reflecting the absence of a tax on gold mining, while Poseidon moved up 12 to 312p, ex rights, and Whim Creek 4 to a 1983 high of 182p.

Among the leading diversified stocks Western Mining gave up 5 to 293p following the proposed acquisition, for more than US$35m, of Mesa Australia.

Dealers again expressed disappointment concerning the paucity of business in Traded Options. Contracts done amounted to 1,404—the lowest total for three weeks. Changes in premiums tended to reflect those in the underlying share prices, with British Petroleum October 460 puts 6 dearer at 46p. ICI attracted 239 puts, with 100 struck in the October 600's, unchanged at 80p.

FINANCIAL TIMES STOCK INDICES

	Aug. 24	Aug. 23	Aug. 22	Aug. 19	Aug. 18	Aug. 17	year ago
Government Secs.	79.63	79.67	79.83	79.51	79.63	79.78	78.13
Fixed Interest	82.63	82.62	82.63	82.43	82.52	82.46	77.92
Industrial Ord.	716.6	724.0	740.4	735.7	736.9	736.0	568.4
Gold Mines	666.2	668.2	661.2	660.0	666.8	667.7	297.9
Ord. Div. Yield	4.69	4.65	4.54	4.57	4.54	4.56	5.25
Earnings, Yld.% (full)	9.50	9.42	9.19	9.26	9.16	9.20	11.60
P/E Ratio (net) (*)	13.10	13.22	13.54	13.46	13.55	13.51	10.34
Total bargains	19,160	21,038	19,665	21,700	21,292	22,239	21,963
Equity turnover £m.	—	177.31	176.29	156.63	258.92	194.19	134.12
Equity bargains	—	18,222	16,409	17,792	19,478	19,869	12,916
Shares traded (ml)	—	109.5	122.0	104.5	139.9	124.5	86.9

10 am 716.6. 11 am 716.4. Noon 716.0. 1 pm 715.0. 2 pm 716.2. 3 pm 717.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.38.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.03 (1/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.0 (22/8/85)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (28/3)	734.7 (15/2/85)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 23	Aug. 22
—Daily		
Gilt Edged Bargains	136.8	144.9
Equities Bargains	118.1	119.3
Equities Value	358.4	356.3
5-day Avrge		
Gilt-Edged Bargains	141.9	144.1
Equities Bargains	121.5	126.7
Equities Value	381.5	406.1

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (36)

AMERICANS (1)
Damson Oil

BREWERS (1)
Clark (Matthew)

BUILDINGS (2)
Sanford Concrete; May & Hassell

CHEMICALS (2)
Nova Inds. A/S B; Scot. Ag. Ind.

ELECTRICALS (3)
Cifer; Perkin-Elmer; Webber Elect. Comps

ENGINEERING (1)
Robinson (Thomas)

INDUSTRIALS (4)
Copydex; Friedland Doggart; NMW Computers; Sandhurst Marketing

NEWSPAPERS (2)
Link House; News Int. Spec. Div.

PAPERS (1)
Clay (Richard)

PROPERTY (1)
Lend Lease

SHOES (1)
Strong & Fisher

TEXTILES (1)
Dixon (David)

TRUSTS (7)
Argo Inv.; Jove Inv. Inc.; Northern Securities; RIT & Northern; SPLIT Inc.; TR Ind. & General; Wemyss Inv.

OILS (2)
Bridge Oil; Hunting Petroleum

MINES (7)
Bond Corp.; Crusader Oil; North Broken Hill; North Kalgurli; Paringa; Sons of Gwalia; Whim Creek

NEW LOWS (14)

BUILDINGS (2)
French Kier; Lawrence (W.)

STORES (1)
De Brett (Andre)

ENGINEERING (2)
Banro Inds.; Bronx Eng.

INDUSTRIALS (5)
Barget; British Aerospace; Hayters; Pritchard Services; Spring Grove

PROPERTY (2)
Estates & Agency; Trust Secs.

TEXTILES (1)
Nova Jersey

MINES (1)
Explaura Gold

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Calls were arranged in European Ferries, International Mogul, London and Liverpool, Boots, First National Finance, French Kier, Dunlop, Polly Peck, Yelverton, Bridgend Processes, Hambros, Renold, Mettoy and Edenspring. Puts were arranged in Lonrho, Royal Insurance, ICI, J. Sainsbury, Bishops, GEC, Racal, Land Securities, Marks and Spencer, and Glaxo. Double options were struck in Trident TV, Polly Peck, Hambros, KCA International, Edenspring and BP.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Amal. Distilled Prods.	158	−4
Aran Energy	34	−4
Atlantic Res.	285	−70
Bellair Cosmetics	600	+100
BP	428	−2
Bula Res.	17	−1
De Beers Dfd.	635	−30
Eglinton Oil & Gas	150	—
Glaxo	810	—
ICI	524	+2
Novo Inds.	£207	+14½
Rivlin (I. D. & S.)	75	+5

ACTIVE STOCKS TUESDAY'S

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
ICI	22	522	−18
Glaxo	19	810	−47
Rivlin (I D.&S.)	18	70	+12
Bellair Csmtcs.	17	500	−80
De Beers Dfd.	16	665	−15
Copydex	15	92	+22
Broken Hill P.	14	698	+23
Ferranti	14	610	−17
Std. & Chrtrd.	14	470	−22
Cbl. & Wireless	13	510	−8
Cns. Gold Flds.	12	625	−10
Lonrho	12	109	+1
Plessey	12	198	−11
Royal Insurance	12	545	−12

RECENT ISSUES

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Utico profits lower halfway

BAT Industries 63.5 per cent owned South African subsidiary, Utico, was squeezed by the decline in discretionary consumer spending in the six months to June 30 1983.

Volume sales of this tobacco and snacks company were virtually static. Mr Enrique Rankin, chairman, says that the moderate 10 per cent turnover increase was due almost entirely to inflation-induced price increases. First half turnover was R70.8m against R64.1m in the corresponding period of 1982.

He adds that, higher potato prices—caused by the drought—eroded profit margins of the snacks division and helped reduce the first half operating profit to R5m against R6.3m. Last year the operating profit totalled R13.5m.

First half earnings calculated after LIFO (last in first out), accounting adjustments fell to 19.9 cents from 24.1 cents a share, and the interim dividend has been reduced to 10 cents from 11.5 cents. Last year earnings were 58.2 cents and a total dividend of 30 cents was declared.

Mr Rankin does not expect a material improvement in trading conditions in the second half, but he says the final dividend will be increased, to compensate shareholders for the lower interim, if it is justified by the results for the year.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Aug 24 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Aug 23 Index No.	Mon Aug 22 Index No.	Fri Aug 19 Index No.	Thur Aug 18 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	468.08	−1.0	8.77	3.74	14.70	472.76	480.03	478.88	481.42	415.01
2	Building Materials (23)	433.72	−1.0	10.50	4.61	11.89	438.22	438.25	436.83	437.88	350.65
3	Contracting, Construction (30)	724.84	−1.7	12.31	4.75	10.10	737.64	745.44	741.22	746.36	649.78
4	Electricals (35)	1741.08	−0.6	7.71	2.17	16.86	1750.74	1792.12	1790.02	1802.65	1650.01
5	Engineering, Contractors (10)	472.95	−1.0	14.22	6.03	8.74	477.51	483.88	481.61	483.71	479.15
6	Mechanical Engineering (64)	203.55	−1.3	11.86	5.55	10.60	204.23	206.20	206.45	208.24	202.68
8	Metals and Metal Forming (10)	180.12	−2.0	10.28	6.51	11.83	183.85	185.97	184.82	185.36	153.07
9	Motors (18)	117.43	−2.3	—	4.88	—	120.13	122.50	119.85	120.21	82.45
10	Other Industrial Materials (17)	540.13	−1.0	5.38	4.08	24.50	545.62	553.65	553.14	563.82	348.71
21	CONSUMER GROUP (199)	434.71	−1.1	10.38	4.42	11.80	439.71	446.20	442.99	444.17	333.22
22	Brewers and Distillers (23)	458.80	−1.1	12.21	4.96	10.23	463.98	471.32	467.81	465.55	376.68
25	Food Manufacturing (22)	334.01	−1.3	13.46	5.92	8.68	338.34	341.16	340.84	342.84	283.39
26	Food Retailing (13)	912.57	−1.4	7.35	2.70	17.63	925.98	935.31	933.25	931.31	698.44
27	Health and Household Products (8)	785.87	−0.6	5.64	2.73	21.10	790.56	817.67	811.86	821.35	511.60
29	Leisure (22)	577.83	−1.1	8.79	4.69	14.64	584.36	587.90	583.88	584.77	425.37
32	Newspapers, Publishing (14)	952.56	−1.5	8.60	3.42	14.20	966.67	963.23	968.76	965.57	530.05
33	Packaging and Paper (14)	192.33	−1.1	11.57	5.25	10.50	194.56	196.36	195.28	197.56	142.32
34	Stores (48)	392.72	−1.2	8.04	3.80	16.85	397.65	403.06	399.82	398.94	290.60
35	Textiles (22)	215.47	−1.5	11.58	5.32	10.31	218.71	219.74	219.08	219.37	166.45
36	Tobaccos (3)	408.80	−1.2	24.22	7.61	4.62	413.94	418.28	409.18	414.32	358.49
39	Other Consumer (10)	419.21	−1.1	5.76	3.53	—	423.68	423.69	421.26	419.66	261.26
41	OTHER GROUPS (79)	388.49	−0.9	8.10	4.40	15.62	391.92	397.60	396.45	399.37	259.88
42	Chemicals (15)	531.97	−0.6	8.47	4.75	15.45	535.12	549.13	546.54	553.15	336.31
44	Office Equipment (6)	114.57	−0.1	8.37	4.48	15.25	114.65	114.77	116.50	118.35	102.26
45	Shipping and Transport (15)	717.08	−0.5	7.40	5.67	18.89	720.96	722.40	716.45	723.61	563.88
46	Miscellaneous (43)	530.26	−1.3	7.89	3.80	15.23	537.17	541.97	540.60	541.52	347.99
49	INDUSTRIAL GROUP (485)	442.87	−1.0	9.49	4.19	13.17	447.55	454.25	452.00	453.93	350.66
51	Oils (15)	1023.68	−0.6	10.80	5.68	11.28	1029.84	1055.25	1056.52	1065.45	672.88
59	500 SHARE INDEX	491.63	−1.0	9.72	4.45	12.79	496.43	504.72	502.78	505.31	377.06
61	FINANCIAL GROUP (122)	335.62	−1.1	—	5.66	—	339.44	342.09	340.36	341.63	251.58
62	Banks (6)	351.63	−0.4	24.33	7.24	4.49	352.93	354.44	352.48	355.33	267.04
63	Discount Houses (8)	294.81	+0.3	—	9.18	—	294.00	292.99	290.82	289.96	276.21
65	Insurance (Life) (9)	484.10	−1.3	—	4.50	—	490.59	495.46	495.87	498.12	270.28
66	Insurance (Composite) (10)	230.29	−2.1	—	6.55	—	235.14	238.49	237.07	238.49	157.92
67	Insurance Brokers (7)	552.04	−1.4	12.10	5.38	11.43	559.99	570.25	566.29	561.96	524.27
68	Merchant Banks (13)	204.93	−1.3	—	4.42	—	207.53	206.59	204.23	201.57	143.57
69	Property (53)	459.27	−0.7	6.11	4.06	22.03	462.33	461.75	459.64	459.37	432.24
70	Other Financial (16)	241.82	−1.5	11.32	5.57	10.65	245.59	250.58	249.62	251.66	166.11
71	Investment Trusts (109)	449.56	−0.6	—	3.94	—	452.22	454.36	453.58	454.05	302.50
81	Mining Finance (4)	320.87	−1.2	5.84	4.55	21.98	324.93	330.44	327.82	325.23	219.89
91	Overseas Traders (15)	493.25	−2.1	7.30	7.58	20.98	503.88	504.53	505.99	502.13	367.22
99	ALL-SHARE INDEX (750)	454.52	−1.0	—	4.66	—	459.87	465.67	463.82	465.74	343.80

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$425	19	19	16	33.10	6	44	$424
GOLD C	$450	55	10	10	21	28	31	"
GOLD C	$475	4	6	—	—	—	—	"
GOLD C	$500	10	3.80	—	—	—	—	"
GOLD P	$400	10	5	4	11	—	—	"
GOLD P	$425	27	12	2	18	—	—	"
		Sept.		Dec.		March		
SILV C	$12	152	0.75	143	1.40 A	—	—	$12.61
SILV C	$13	4	0.30 A	6	0.75	36	1.50	"
SILV P	$11	—	—	6	0.35	—	—	"
SILV P	$12	—	—	2	0.60	—	—	"
SILV P	$13	40	0.75	—	—	—	—	"
		Oct.		Jan.		Apr.		
AKZO C	F.55	10	22.10	—	—	—	—	F.76.70
AKZO C	F.60	10	17.20	—	—	—	—	"
AKZO C	F.65	121	12.20	—	—	—	—	"
AKZO C	F.70	174	9	29	11.80	5	15	"
AKZO C	F.80	308	3.60	62	7	90	9.30	"
AKZO P	F.65	20	0.40	—	—	—	—	"
AKZO P	F.70	89	1.40	19	2.70	—	—	"
AKZO P	F.80	14	6.20	15	7.40	—	—	"
AMRO C	F.60	61	3.70 B	—	—	—	—	F.60.30
AMRO C	F.65	369	1.90	—	—	—	—	"
AMRO C	F.70	80	0.80	64	2.70	—	—	"
AMRO P	F.55	—	—	—	—	50	2.50	"
AMRO P	F.60	159	2.50	—	—	—	—	"
KLM C	F.140	20	13	—	—	—	—	F.149.50
KLM C	F.150	22	7	14	15.80	—	—	"
KLM C	F.160	85	4	44	11.50	—	—	"
KLM C	F.170	14	2.80	36	7.80	—	—	"
KLM C	F.180	25	1.60	45	5	—	—	"
KLM P	F.140	25	2.90	5	6	—	—	"
KLM P	F.150	64	7	42	11.50 B	1	12.50	"
KLM P	F.160	7	13.90	5	17.80	—	—	"
KLM P	F.170	5	23	—	—	—	—	"
PHIL C	F.32.50	20	12.40 A	—	—	—	—	F.44.40
PHIL C	F.35	20	10.50	—	—	—	—	"
PHIL C	F.40	25	6	4	8.30	—	—	"
PHIL C	F.45	627	3 B	512	5.10	259	7	"
PHIL C	F.50	671	1.40	495	3.10	176	4.80	"
PHIL C	F.55	652	0.70	191	2	81	3.10	"
PHIL P	F.32.50	10	0.10	—	—	—	—	"
PHIL P	F.35	6	0.40	—	—	—	—	"
PHIL P	F.40	282	0.80	342	1.80	—	—	"
PHIL P	F.45	266	2.70	133	4.10	12	4.10	"
PHIL P	F.50	140	6	26	6.60	132	7.30	"
PHIL P	F.55	42	10.80	6	10.50	23	11	"
RD C	F.110	6	33.70	1	36	—	—	F.143.50
RD C	F.120	46	24	2	26.50 A	—	—	"
RD C	F.130	198	13.90	81	17.50	—	—	"
RD C	F.140	267	7	79	11.50	20	15	"
RD C	F.150	636	3.20	409	7	17	10 A	"
RD P	F.120	—	—	13	0.80	—	—	"
RD P	F.130	39	1	2	2.50	—	—	"
RD P	F.140	168	4.20	20	5.30	—	—	"
RD P	F.150	182	11	5	11.50	—	—	"
UNIL C	F.190	—	—	10	29	—	—	F.214.60
UNIL C	F.200	61	17 A	1	25.50 A	—	—	"
UNIL C	F.220	10	4.90	152	11	14	16	"
UNIL C	F.240	3	1.80	22	4.60	—	—	"
UNIL P	F.190	15	0.50	10	1.60	—	—	"
UNIL P	F.200	28	1.90	13	6.50	—	—	"
UNIL P	F.220	—	—	10	11	—	—	"
		Nov.		Feb.		May		
12¾ NL 81 87-91 C 122.50	F.12	2.50	—	—	—	—	—	F.124.70
10 NL 82-11 86-89 C 105	F.100	1.40	—	—	—	—	—	F.106.70
7½ NL 83 87-90 C 97.50	F.200	0.40	—	—	—	—	—	F.95.20
		Sept.		Dec.		Mch.		
D/FL C	F.290	100	6.50	—	—	—	—	F.294.95
D/FL C	F.295	50	3.50	—	—	—	—	"
D/FL C	F.300	22	1.80	26	2.50	1	3.50	"
D/FL C	F.305	3	0.80	—	—	1	2.60	"
D/FL C	F.310	—	—	—	—	8	1.70	"
D/FL P	F.280	—	—	10	2	30	5	"
D/FL P	F.290	10	1.50	1	6	—	—	"
D/FL P	F.295	10	3.20	—	—	—	14.50	"

TOTAL VOLUME IN CONTRACTS: 13,647

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*430)						
300	132	—	—	1½	—	—
330	102	—	—	2	—	—
360	72	80	—	2	6	—
390	48	54	64	4	10	14
420	28	36	44	18	26	34
460	7	16	24	46	52	58
Cons. Goldfields (*617)						
500	122	130	—	2	5	—
550	72	87	100	7	17	23
600	38	57	74	25	35	42
650	20	35	46	64	67	74
Courtaulds (*101)						
65	38	—	—	—	—	—
75	28	32	—	1	2	—
85	19	23	—	2	3	—
90	—	—	23	—	—	5
95	11	15	—	4	6	—
100	—	—	16	—	—	8
110	4	7	11	13	15	17
Commercial Union (*170)						
120	48	—	—	1½	—	—
130	38	—	—	2	—	—
140	28	32	36	5	5	8
160	14	18	25	8	13	15
180	4	8	17	22	25	28
G.E.C. (*210)						
180	38	—	—	1	—	—
200	22	30	36	5	8	10
220	9	18	26	17	20	24
240	3	9	14	32	33	36
260	1	4	—	52	52	—
Grand Met. (*339)						
300	40	50	—	3	5	—
330	19	31	37	10	14	17
360	6	14	22	22	31	33
390	3	6	11	57	59	62
I.C.I. (*524)						
360	170	—	—	1	—	—
390	140	—	—	1	—	—
420	110	124	—	1	3	—
460	70	86	—	2	7	—
500	40	64	64	9	14	20
550	16	28	38	34	40	48
600	3	14	18	80	84	90
Land Securities (*310)						
260	54	—	—	—	—	—
280	34	41	47	3	4	7
300	20	28	35	6	12	16
330	6	12	19	25	30	32
Marks & Spencer (*210)						
180	35	41	47	3	4	6
200	18	26	31	5	9	12
220	5	10	16	16	19	23
Shell Transport (*618)						
460	160	172	—	1½	3	—
500	120	134	—	2	6	—
550	72	86	94	5	11	15
600	34	46	60	18	28	35
650	10	22	32	46	54	60

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*472)						
460	28	47	60	16	22	28
500	14	28	42	38	47	52
550	4	13	22	64	66	67
Imperial Group (*116)						
110	12	16	19	4	6	7
120	4½	8	11	10	13	15
130	2	4½	—	18	20	—
LASMO (*343)						
280	—	85	—	—	5	—
300	57	68	—	6	10	—
330	40	50	63	15	22	25
360	20	37	45	37	45	52
390	8	25	33	60	65	72
Lonrho (*103)						
80	27	—	—	1	—	—
90	19	22	—	2½	3	—
100	11	14	17	5	7½	9
110	4½	8½	11	11	13	16
P. & O. (*215)						
140	78	—	—	1	—	—
160	58	—	—	2	—	—
180	39	46	—	3	4	—
200	24	33	40	6	10	14
220	11	19	26	16	19	23
Racal (*474)						
460	37	57	72	17	26	30
500	20	37	54	41	47	52
550	9	20	—	80	82	—
600	3	—	—	130	—	—
R.T.Z. (*642)						
533	117	137	—	4	7	—
550	100	122	—	6	10	—
583	77	97	—	10	17	—
600	62	84	100	16	27	35
650	35	50	64	37	52	62
700	14	26	37	67	77	87
Vaal Reefs (*$130)						
90	42	—	—	0¾	—	—
100	32½	—	—	1¾	—	—
110	24½	30½	—	3	6	—
120	17	22½	26	5½	11	13½
130	12½	16½	20	10	16½	18
140	7½	10½	—	16	21½	—

Option	Calls Sept.	Calls Dec.	Calls Mar.	Puts Sept.	Puts Dec.	Puts Mar.
Beecham (*341)						
330	25	33	43	6	12	17
355	7	22	28	20	27	32
385	3	8	15	47	52	57
415	1	4	—	77	82	—
Guest Keen (*179)						
135	46	48	—	1	2	—
155	26	29	—	1½	4	—
160	—	—	36	—	—	9
175	8	17	—	7	11	—
180	—	—	19	—	—	18
200	2	7	13	24	27	31

Aug. 24 Total Contracts 1,404 Calls 771 Puts 633

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INSU

INDUSTRIALS—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

PROPERTY

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	220	...	070c	4.2	24.9
23	16	Wankie Col. Z$1	25	...	Q5c	0.7	12.8
28	18	Zam Cpr.SBD0.24	19	...	—	—	—

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 29

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

Authorised Units—continued

Equity & Law Un Tst Mngs (a) (b) (c)
Amersham Rd. High Wycombe. 0494 33377
Euro Tst Acc 58.6 63.0 −0.2 1.64

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 6AN. 01-638 5858
AmExFd* £278.29 285.50 .... 0.61
JapExFd* £152.17 157.14 .... 1.18
Next subscription day Sept 1 1983.
*Fleming American Property Unit Trust.
Latest issue price (15 8) US$10.567.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (24 6) £2.067.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mgrs Ltd (a)
Royal Exchange EC3V 3LS. 01-638 2020
(b)GREGtFl 108.4 112.7xd −0.4 10.29
(g)GRENAmT 92.2 99.2 — 2.52
(g)GREPacT 102.8 110.6 +0.4 1.13
(b)PrptySitT 111.5 119.9 −0.7 1.30
(b)GREGthEq 95.2 102.4 −1.7 1.94
G'dhill Tst 97.3 104.7 −1.4 2.53
(b)GRESInC 184.1 190.7xd −1.8 3.35

H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)
Premier NT Admin., 5, Rayleigh Rd. Hutton, Brentwood Essex. 0227-227300
Smllr Cos Tst 50.5 43.2 −0.1 3.05
N Amer Tst 46.5 48.9 −0.2 2.56
JapnParETst 51.2 53.9 −0.1 1.39

Hexagon Services Ltd
4 Gt St Helens. London EC3P 3EP. 0708 45322
AustFrsGw 112.3 118.3xd 1.58
Brewins Cap 83.2 87.6 −0.5 0.59
BrewinGtInc 76.7 80.8 +1.3 3.89
CanGwthFd 99.7 107.3 −0.8 1.05

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq. Edinbgh 2. 031-225 6001
Aust & Pac* 9.5 10.1 +0.2 0.58
High Yield‡ 19.7 21.2xd 10.00
Do Accum‡ 20.8 22.3xd 10.00
*Dealing Thurs. ‡ Dealing Fri.

MGM Unit Managers Ltd
MGM House. Heene Road. Worthing. 01-623 8211
High Inc 130.4 140.2 −1.6 8.93
(Accum Uts) 132.2 142.2 −1.6 5.93
UK Growth 126.9 136.4 −0.4 3.15
(Accum Uts) 127.1 136.7 −0.5 3.15

MLA Unit Trust Management Ltd
Old Queen Street, SW1A 9JG. 01-222 8576
MLA Units 183.7 192.7 .... 2.77
MLA Inc 29.0 30.4 .... 0.82

The Money Market Trust
63 Qn Victoria St EC4N 4ST. 01-236 0952
Call Fund — — 9.32
7 Day Fund — — 9.15
*Unauthorised—Sterling Deposit Fund.

NM International Reserves Ltd
Bel Francs BFr857.27 +0.70 7.46
Canadian $ C$36.86 +0.035 7.89
D-Mark DM50.855 +0.20 4.01
Dutch Guilder Fl50.38 +0.02 4.71
French Franc FFr163.80 +0.18 11.57
Italian Lire L36,907 +58 14.76
Japanese Yen Y6284.86 +3.87 5.53
Singapore $ S$63.86 +0.05 7.01
£ Sterling £14.373 +0.014 8.71
Swiss Franc SwFr45.93 +0.015 2.80
U.S. $ 29.435 +0.03 8.99
Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd
Sterling £14.0308 +0.0221 —
U.S. Dollar $26.2584 +0.0449 —
D-Mark DM51.1989 +0.0373 —

Swiss Franc SFr30.9108 +0.0121 —

J. Henry Schroder Wagg and Co Ltd
120 Cheapside, EC2. 01-382 6000
Naess&ThAug23 $61.62 −0.29 —

Target Trust Mgrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441
Mod Cur Fd 95.0 100.2 +0.1 —

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.
T-G Am $22.81 .... —
T-G Money $21.36 .... —
T-G E'bond $13.37 .... —
T-G Com $19.92 .... —
T-G Mort $19.75 .... —
T-G O'seas $12.57 .... —
T-G Pacific Y2,101 .... —
T-G Wal St $25.55 .... —

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417
S&MlyT US$10.02 10.38 .... —

Offshore and Overseas—continued

Actibonds Investment Fund SA
37 rue Notre Dam, Luxembrg. Tel 47971
Actibonds In — $19.16 .... —

Alliance Capital Management Intl Inc
62/62 Queen St. London, EC4. 01-248 8881
Alliance International Dollar Reserves
Distribution Aug 1-14 (0.003449) (9.40%pa)
A Tech Fund Aug 17 $9.37
Quasar Assocs Aug 17 $63.27

Bamford Brandt Guernsey Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541
Tch&Comms £9.42 9.98 .... —
Intl Grwth $18.67 19.78 .... —

Brown Shipley St Co (Jersey) Ltd
PO Box 583, St Helier, Jersey 0534 74777
StgCpFd(a) $16.16 16.17 +0.02 —
IntCrF(a)(h) £1.08 1.14 .... —
IntBdFdIn $10.08 10.66 .... —
IntBdFdAc $10.08 10.66 .... —

CAL Investments (IoM) Ltd
16 St Georges St Douglas IoM 0624 25037
CAL C&C* 189.1 93.8 .... —
CAL Metals* 93.8 98.7 .... —
CALSilver** 301.7 319.1 −3.8 —
CAL Gold** — — .... —
CAL Copper** — — .... —
CAL Alumin** — — .... —
Dealings days every Monday.

CAL Investments (Bermuda) Limited
PO Box 1022, Hamilton, Bermuda. (809-29) 5-5950
CAL CTR Fd 80.0 86.0 .... —
Dealing days every Monday.

Commodity Advisory Svcs (IoM) Ltd
48 Athol St. Douglas, IoM. 0624-20845
Com&FFdAcc 96.03 100.30 —
Com&FFd(Dist) 96.03 100.30 —
Next dealing date June 6.

Citibank (CI) Ltd "Citifunds"
Channel Is. Transatlantic Inv Fds Ltd
Green St, St Helier. 0534-70334
U.S. $ Fund $10.195 +0.010 —
£ Sterling Fund £5.097 +0.005 —
Sw Franc Fd SwFr20.133 +0.005 —
JapnseYenFd Y2022.212 +1.051 —
DeutschmkFd DM20.145 +0.006 —
Managed Fund $10.096 −0.023 —

DunVest Ltd
PO Box 887, Grand Cayman.
NAV $139.49 .... —

First Gold & Metals Trust PLC
60 St James's St. London SW1. 01-499 4541
First Gold 921 .... —

Forbes Securities Management Co.
PO Box 887, Grand Cayman, BWI.
London Agents 01-839 3013
Gold Inc $9.47 9.98 .... —
Gold App $8.49 8.94 .... —
Dollar Inc $9.22 9.57 .... —

Framlington Overseas Fd Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541
O'seas&Gth 46.6 50.7 .... 4.00
O'seas&GthC 70.6 76.9 .... 4.00

GRE Intl Inv Mgmt Ltd
PO Box 194, St Helier, Jersey. 0534 27441
Mgd Cur Fd — 10.05 .... —

Grindlay Henderson Mngt Ltd
PO Box 414, St Helier, Jersey. 0534 74248
Mangd Fd 10.1795 10.6255 +0.242 —
Stlg Fd 9.5911 10.0707 +0.0231 —
USDlrFd $10.1411 10.411 +0.0051 —
Stlg Ac 10.0763 10.0763 +0.0026 —
MngdAc $20.2565 20.2565 +0.0051 —
US$Ac 20.1906 20.1906 +0.0053 —
D-MkAc 50.2068 50.2068 +0.0065 —
SwFr 50.2118 50.2118 +0.0064 —
Yen 5029 5029 +1 —

Jardine Fleming and Co Ltd
46th Floor, Connaught Centre, Hong Kong
J&Cr&BdFl $12.54 — .... —
Do(Accum) $17.73 — .... —
JFATstInc $10.14 — .... —
Do(Accum) $10.14 — .... —
JFAmGwIn $9.53 — .... —
Do(Accum) $9.53 — .... —
JFMCurIn $10.03 −0.03 .... —
Do(Acum) $10.03 −0.03 .... —

Lazard Brothers and Co (Jersey) Ltd
PO Box 108, St Helier, Jersey, C.I. 0534 37361
LazBrFarE $14.32 15.24 .... —
CpGrBd $1.293.06 1.310.28 .... 11.6
D'tedBdFd $9.85 9.88 .... 4.0
Do Acum $9.85 9.88 .... 4.0
N AmFd $9.94 10.58 .... —

Lloyds Bank International, Geneva
PO Box 438, 1211 Geneva 11 (Switzerland)
LlydsIntDlr 95.6 98.6 +1.1 —
LlydsIntG SF903.5 963.0 +1.0 1.5
LlydsIntLn SF296.5 308.0 +3.0 6.5
LlydsIPac SF102.0 107.4 +2.2 —

Management International Ltd
Bk of B'muda Bldgs B'muda 809-295-4000
Bda IBFC $16.06 16.23 .... —
Bda IBFC $11.25 11.39 .... —
Prices on Aug 19. Next dealing Aug 26.
Bda IEFC $10.35 10.56 .... —
Bda IEFI $10.35 10.56 .... —
Prices on Aug 17. Next dealing Aug 24.

Manufacturers Hanover Geofunds
PO Box 92, St Peter Port, Guernsey. 0481 23961
LA Inc $102.47 102.69 .... 9.41
LT Acc$ $123.63 123.89 .... 10.77
MIT Inc $109.43 109.99 .... 6.99
MIT Acc$ $124.65 125.29 .... 18.32

Geofund International Reserves Ltd
Sterling £5.020 +0.001 —
U.S. $ $10.037 +0.002 —
D-Mark DM20.030 +0.003 —
Swiss Fr SwFr20.014 +0.002 —
Jap Yen Y2002.9 +0.3 —
Managed Fd $10.034 +0.002 —

Marine Midland (CI) Ltd
140 B'way NY 10015 USA. 212-440-1000
Queens Hse, Don Rd, St Helier 0534 71460
Intcurcy $1019.60 −0.40 .... —
Initial offer. Next sub day Aug 19.

Samuel Montagu Ldn Agents
114 Old Broad St. EC2. 01-626 3434
ApAug17 SF87.85 95.43 .... 1.46
JpJul31 HK$35.40 38.22 .... 0.19
117GpAug9 $18.34 19.74 .... 1.43
JsyFdAug3 £12.85 14.00 .... —
Mont FRNF 10.74 10.86 .... —
US FIF $9.50 10.00 .... —

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St. St Helier, Jersey. 0534 70041
County Bank Currency Funds Ltd (z)
Dollar class $20.4374 +0.0044 —
Sterling class £10.2317 +0.002 —
D-mark cl DM50.4736 +0.003 —
Dutch Gldr DFl50.5193 +0.006 —
Jap Yen cl Y5066.9926 +0.845 —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Building, Bermuda. 809 29 5400
Amer Tst $10.89 11.33 .... —

Perpetual UT Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
Offsh'r Gr $1.142 1.215 .... 2.00

Rothschild Asset Management (CI)
St Julian's Ct, St Peter Port, Guernsey. 0481 26741

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707-42311
Pension Funds
EqPenFdAc 592.1 632.2 −6.9 —
Fix I Pen Ac 395.1 415.9 −0.6 —
GtMinPnAc 243.8 256.6 +0.1 —
Intl Man 239.1 251.7 −0.1 —
Jap Pens Fd 110.6 116.4 −0.4 —
AmPFdAc 131.3 138.2 −2.3 —
Prop Pn Ac 223.6 235.3 .... —
MpInPnAc 491.4 517.2 −2.5 —

Commercial Union Group
St Helens, 1 Undershaft EC3. 01-283 7500
VarAcUtAug20 — 151.70 .... —
VarAcUtAug26 — 33.9 .... —
Prime Series
Managed 118.5 124.8 −0.5 —
UK Equity 121.8 128.3 −0.9 —
Int Equity 115.2 121.3 .... —
Property 100.8 106.2 .... —
Fixed Int 103.5 109.0 −0.5 —
Indx Lkd Gt 88.1 92.8 +0.3 —
Cash 98.2 103.4 .... —
Hand-in-Hand
Cash 119.8 126.2 .... —
Fixed In 134. 141.8 .... —
Property 139.1 146.5 .... —
NatWest 186.2 196.1 .... —

Continental Life Insurance PLC
64 70 High St. Croydon. CR0 9XN. 01-680 5225
Equity Acc 147.5 155.3 .... —
Propty Acc 132.5 139.3 .... —
Int Acc 145.2 152.9 .... —
Managd Acc 144.2 151.8 .... —
PenEqtyAcc 174.5 183.7 .... —
PensPrpAcc 174.5 183.7 .... —
PensPrpAcc 144.7 152.4 .... —
PensIntlAcc 138.3 145.6 .... —
PensMgdAc 152.0 160.0 .... —
Gilt Deposit, Index Fund prices available on request.

Crown Life
Crown Life Hse., Woking GU21 1XW. 04862 5033
PECorontFd 177.7 187.0 .... —
BrewinEqFd 233.2 245.4 .... —
StratInvFd 140.5 148.0 .... —
Lincs&GnFd 132.0 138.9 .... —
Sage Fd 120.6 126.9 .... —
Heritage Fd 132.6 139.5 .... —
DBS aMngd 130.6 137.4 .... —

Friends' Provident Life Office
Pixham End, Dorking. (0306) 885055
Life Funds
Cash Accum 96.2 101.3 .... —
UK Eqty Ac 104.4 110.0 −1.3 —
FxdIntAcc 95.6 100.7 −0.3 —
IndxLkdAcc 90.9 95.7 +0.9 —
Mixed Acc 99.6 104.9 −0.7 —
O'seasEqAc 99.8 105.1 −0.8 —
Pension Funds
Cash 96.5 101.6 .... —
Cash Accum 97.4 102.6 .... —
UK Eq Cap 101.6 107.0 −1.4 —
UK Eqty Ac 102.6 108.1 −1.3 —
Fxd Int Cpty 94.7 99.7 −0.2 —
Fxd Int Acc 95.5 100.6 −0.3 —
Indx Lkd Cptl 89.9 94.7 +1.0 —
Indx Lkd Acc 90.8 95.6 +1.0 —
Mixed Captl 98.2 103.4 −0.6 —
Mixed Acc 99.1 104.4 −0.6 —
O'seasEqCp 101.8 107.2 −0.7 —
O'seasEqAc 102.8 108.3 −0.7 —
Propty Captl 95.0 100.1 .... —
Property Acc 96.0 101.1 .... —

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7107
GRE Pensions Management Ltd
PensPrpInt 128.0 134.8 .... —
PensPrpAcc 138.2 145.5 .... —
PnIxLkGtAc 90.7 95.4 .... —
PnsIxLkGtAc 91.3 96.1 .... —
PensDepInt 135.8 142.9 .... —
PensDepAc 146.8 154.5 .... —

Henderson Administration
26 Finsbury Sq, London EC2. 01-638 5757
High Inc 141.7 149.2 −1.2 —
Gilt Edged 94.8 99.8 −0.3 —
Cap Growth 146.8 154.6 −1.3 —
Technology 168.4 177.3 −0.7 —
Nat Res'ces 138.0 145.3 +0.2 —
Spec Sits 189.4 199.4 −0.8 —
N America 216.6 228.0 −0.4 —
Far East 180.3 190.8 +0.1 —
Property 115.4 121.5 .... —
Managed 183.5 193.2 −0.5 —
Deposit 116.1 122.3 .... —
Prime Rest 115.6 121.7 .... —
Pension Funds
UK Equity 105.3 110.9 −1.1 —

Fixed Int 105.2 110.8 −0.3 —
Spec Sits 120.6 127.0 +0.2 —
N America 109.1 114.9 −0.2 —
Far East 123.9 130.5 +0.1 —
Managed 117.0 117.6 +0.4 —
Comm Proty — .... —
Prime Rest 98.9 104.2 .... —
Deposit 99.3 104.6 .... —
Capital unit prices available on request.

London Life Linked Assn Ltd
100 Temple St. Bristol BS1 6EA 0272-279179
Equity 229.1 235.9 .... —
Property 165.0 169.9 .... —
Fixed Int 158.3 159.0 .... —
Deposit 140.9 140.9 .... —
Mixed 190.2 194.2 .... —
Index Stk 104.4 104.9 .... —
International 114.4 116.6 .... —

London Life Managed Funds Ltd
Equity(P) 164.6 170.3 .... —
FixedInt(P) 163.2 164.4 .... —
Property(P) 119.5 123.6 .... —
Deposit(P) 120.3 120.3 .... —
Mixed(P) 150.8 154.4 .... —
Inter(P) 110.9 113.1 .... —

Moneywise Friendly Society
80 Holdenhurst Rd. Bournemouth. 0202 295678
MoneywiseIn 47.7 50.8 .... —

Municipal Life Assurance Ltd
99-100 Sanding Road. Maidstone. 0622 679351
Managed Fd 100.0 106.0 .... —

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath. 0444 458721
Nat Res'ces 121.0 128.0 .... —
Property 139.0 147.0 .... —
UK Equity 143.0 151.0 .... —
Intl Equity 124.0 131.0 .... —

Prudential Pensions Ltd
Holborn Bars. EC1 2NH. 01-405 9222
Pru-Link Retirement Plan
Managed Fd 143.3 149.3 −0.6 —
Cash Fund 111.9 116.6 −0.2 —

St George Assurance Co Ltd
The Priory, Hitchin, Herts. 0462 57161
Managed Fd 103.0 108.5 −0.1 —
Universal Fd 101.2 106.6 +0.4 —

Save & Prosper Group
4 Gt St Helens. London EC3P 3EP. 0708 45966
Gilt Pen Fd 177.9 188.3 −0.5 —
Dep Pen Fd‡ 184.4 195.2 .... —
GlobalEqPen 55.9 59.2 −0.3 —

Skandia Life Assurance Co Ltd
Frobisher Hse. Southampton. 0703 334411
Managed 152.0 160.0 −1.4 —
Equity 164.7 173.4 −2.7 —
International 177.6 186.9 −1.0 —
Nth Amer 107.4 113.1 −0.9 —
N European 101.9 107.3 −0.5 —
Pacific 109.2 114.9 −0.3 —
IntRecovery 111.6 117.5 +0.4 —
Gilt Plus 136.2 143.4 −0.6 —
Property 128.0 134.7 .... —
Deposit 130.5 137.4 +0.1 —
Pens Mangd 181.1 190.6 −1.8 —
Pens Equity 194.2 204.4 −3.8 —
Pens Intnl 212.8 224.0 −1.5 —
Pens N Am 109.3 115.1 −1.0 —
Pens N Euro 103.3 108.7 −0.6 —
Pens Pacific 111.4 117.3 −0.4 —
PensIntRec 113.8 119.8 +0.4 —
PensGtPls 161.8 170.3 −0.7 —
Pens Proty 155.1 163.3 .... —
Pens Dep 158.7 167.1 .... —
For prices of Capital Units and Guaranteed Basis Rates please phone 0703 334411.

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941.
Sterling — — 6.5
U.S. Dollar — — 5.7
Swiss Franc — — .... —
Deutsche Mark — — 2.3
Yen — — 1.6

TSB Life Ltd
PO Box 3, Keens House Andover, Hants. SP10 1PG.
Managed Fd 102.4 107.9 −0.3 —
Property Fd 97.1 102.3 .... —
Fixed Int Fd 96.2 101.3 −0.3 —
Money Fd — .... —
Equity Fd 110.0 115.9 −0.7 —

Windsor Life Assurance Co Ltd
Royal Albert Hse Sheet St, Windsor 58144
N Amer Fd 209.1 220.1 .... —
Far East Fd 125.9 132.5 .... —
FutAssGth 79.0(A) 89.0(B) .... —
Ret Assd Pen 53.26

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833
High Income
Gilts & Fixed Int. 111.5 118.0 −0.2 10.17
High Inc Equity 51.8 55.7xd −0.5 6.55

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777
Britannia Viewpoint 01-673 0048
UK Specialist Funds
Assets 157.8 170.1 −2.5 3.33
Recovery 60.3 65.0 −1.5 2.94
Smaller Cos 88.9 95.9xd −1.2 1.24
Spec. Mkt. Sits. 74.6 80.4 −0.6 1.47
UK Blue Chip 57.0 55.0 −0.7 3.15
High Income Funds

FT UNIT TRUST INFORMATION SERVICE

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU 01-245 9321

Henderson Administration (a) (b) (c)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brentwd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Save & Prosper—continued

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	114 7	120 7	-0.7	—
Do. Initial	111 7	117 6	-0 8	—
Man. Pens. Accum.	242 3	255 1		—
Do. Initial	201 4	212 0		—
Gilt-Edg. Pen. Accum.	201 4	212 0		—
Do. Initial	161 7	170 3		—
Money Pens. Accum.	184 1	194 1		—
Do. Initial	149 5	157 2		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	229.59			—
Managed Inv. Fd.	155 62	163 82		—
Property Fd.	149 64	157 52		—
Fixed Interest Fd.	140 25	147 63		—
Cash Fd.	134.87	141.97		—
Income Fd.	170 44	179 42		—
Exe. & Income Fd.	160 24	168 68		—
Worldwide Growth Fd.	232 00	244.27		—
Balanced Fd.	172.34	181 42		—
Smlr Co's & Recy. Fd.	202.40	213.06		—
Int. Technology Fd.	266.62	280 66		—
Nth. Amer. & Gen. Fd.	169.83	178 78		—
Energy Int. Fd.	105.73	111.30		—
Pacific Basin Fund	134.6	141.68		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	108 0	113 6		—
Property	106.7	112 4		—
Equity	96.4	101.5		—
International	126.7	133 5		—
Fixed Interest	97.5	102.6		—
Deposit	98.6	103 8		—
Managed Pen. Cap.	109 5	115 2		—
Property Pens. Cap.	106.7	112.3		—
Equity Pens. Cap.	93 7	98.6		—
Intnl. Pens. Cap.	133.2	140.2		—
Fixed Int. Pens. Cap.	96 1	101 2		—
Deposit Pens. Cap.	97 0	102.1		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Aug 2		95.8		—
Retmt. Fed. Aug 6		255 4		—
Managed Pen Fund	175 4	184 7		—
Property Pen Fund	113.6	119 6		—
Index Lnkd Pen Fund	108.5	114 2		—
Managed	118 5	124 8	-1.4	—
Property	101 9	107 3		—
Gilt and Fixed Interest	101 9	107.3	-0.3	—
Index-Linked	95 1	100.2	+0.8	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	117 8	124 1	+0.2	—
GT Pln High Yld Fnd	118 9	125 2		—
GT Plan Far East Fnd	113 7	119 9		—
GT Pln N Am Fund	159 8	167.2		—
GT Pln UK&G.E. Fnd	138.7	146.1		—
GT Pln Wrldwde Fnd	134 0	142 1		—
GT Pension Bnd Fnd	125.8	132.5	+0 3	—
GT Pen High Yld Fd	135 3	142 5		—
GT Pen Far East Fd	138.0	145 3		—
GT Pen N. Am. Fd.	204.8	215 6		—
GT Pen UK & G.E. Fd.	160 8	169 3		—
GT Pen Worldwide Fd.	144.3	151 9		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl Managed Bond	163.2	171.8		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		247 7		—
Portfolio Fd. Init.		201 7		—
Portfolio Fd. Cap.		236 7		—
Investment A.uts	247.1	260.3		—

Growth & Sec. Life Ass. Soc. Ltd.
42, London Fruit Exchange, E1 6EU 01 377 1122

Flexible Finance		1,163		—
Landbank Secs.		65 87		—
Landbank Sts. Acc.	103 7	108.5		—
G. & S. Super Fd.		£11.2814		—

Guardian Royal Exchange
Royal Exchange, E.C.3 01-283 7101

Guardian Assurance

Property Bonds	301.7	314.2		—

GRE Linked Assurance Limited

Managed Initial	207 8	218.7	-2.3	—
Do. Accum.	229 9	242 0	-2 4	—
Equity Initial	263 4	277.2	-5 3	—
Do. Accum.	291 4	306 7	-5.8	—
Fixed Int. Initial	187.7	197.6	-0.3	—
Do. Accum.	207 0	217.9	-0 3	—
International Initial	209 1	220 2	-1 0	—
Do. Accum.	231 4	243 6	-1 1	—
North American Initial	96 9	102.0	-0.8	—
Do. Accum.	97 6	102.7	-0.8	—
Index-Linked Gilt Init.	90.7	95.4		—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

*Asset Builder	65 3	69 2		—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr. Aug 17	60.9	63 7		—
MM Flexible July 29		54 3		—
Fixed Interest July 29	54 5	57 3		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA 0272-279179

See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS 0392 52155

Invest. Tst. Fd. Cap.	293.7	—	-0.7	—
Invest. Tst. Fd. Acc.	309 2	—	-0 7	-12 0
Property Fund Cap.	117.1	—		—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		286.7		—
Property Fund (A)		279 0		—
Agricultural Fund		1095.8		—
Agric. Fund (A)		1067 4		—
Abbey Nat. Fund		227 5		—
Abbey Nat. Fd. (A)		226 6		—
Investment Fund		137 9	-1.0	—
Investment Fund (A)		136 1	-1.0	—
Equity Fund		416 2	-3.5	—
Equity Fund (A)		408 6	-3.5	—
Money Fund		213 7		—
Money Fund (A)		209 8		—
Actuarial Fund		219 6		—
Gilt-edged Fund		184 5	-0.3	—
Gilt-Edged Fd. (A)		184 5	-0.3	—
Retire Annuity		360 1		—
Immed. Ann'ty		193 0		—
International Fd		260 0	-1.6	—
Bldg. Soc. Life Fd.		103 1		—

Property Gth. Pens. & Annuities Ltd

All Wther Ac. Uts.	247 9	260 9		—
Inv. Fd. Uts.		294 3		—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ 031-225 2552.

Managed	197 1	207 5	-1.9	—
Property	151.2	159.2		—
Equity	229 6	241 7	-2.2	—
International	205 1	215 9	-4 5	—
Fixed Interest	160.9	169 4	-0 4	—
Index Linked	95 9	100 4	+1.2	—
Cash	129.7	136 6		—
Pension Managed	229 2	241 3	-3.5	—
Pension Property	153 2	161.3		—
Pension Equity	269 5	283 7	-5 0	—
Pension Intl.	244.9	257 8	-7 0	—
Pension Fxd. Int.	168.7	177.6	-0.3	—
Pension Index Linked	96 5	101 6	+1.2	—
Pension Cash	145.5	153.2	+0 1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

		Series (2)		(1) Bid
Index Linked Fund	100.3	105 6	+0 6	100.5
Equity Fund	300 5	316.4	-4.3	300 7
Fixed Interest Fund	188 8	198 8	-0 6	188 9
Property Fund	213 6	224.9	+0.2	213 8

Vanbrugh Life Assurance
41-43 Maddox St., Ldn. W1R 9LA 01-499 4923

Managed Fd.	276.7	291.3	-1.6	—
Equity Fd.	501.0	527.4	-5.6	—
Intnl. Fd.	202.4	213.1	-0.2	—
Fixed Int. Fd.	245.2	258.2	-0 1	—
Prop. Fd.	210.0	221.1		—
Cash Fd.	175.7	185.0		—

Vanbrugh Pension Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	228.2	240.3	-1.6	—
Equity	292.7	308.2	-3 6	—
Fixed Interest	201.4	212.0	-0 6	—
Property	180.2	189 7		—
Index Linked Gilt	102.4	107.8	+0 6	—
Guaranteed		9.69		—
International Money	110.4	116.3		—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	158.8	167.2		—
Accum. Pen. Units	275 9	290.4		—
Flex. Inv. Growth	163 9	172.6		—

Continued on adjacent page Mon-Fri and Stock Exchange Dealings page on Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adiropa	DM21.86	21.68	-0.03	—
Adiverba	DM67 78	71 17	-0.08	—
Fondak	DM34.43	36 15	-0 01	—
Fondis	DM31.03	32.58	-0.27	—

Albany Fund Management Limited

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigth Trust	40 4	43.2	-1 4	11.20
Unidollar Trust	$16.85	17 20	-0 08	1 80
Unibond Trust	$87.28	87 97	-0.39	10 80

1, Thomas St., Douglas, Isle of Man. 0624 25252.

Uni-Australian Tst.	76.7	82.5		1 40
Uni-Aust. Mineral Tst.	67 9	73 1		1 50
Uni-Pacific Trust	164.2	176 6	+2.5	—
Uni-International Tst.	70 8	76 2		1 40

Bishopsgate Commodity Ser. Ltd.
P O Box 42, Douglas, I o M. 0624-23911

ARMAC** August 1	$60.01	63.83		—
COUNT** August 1	£3.715	3 938		1.36
CANRHO** August 1	£2.370	2.514		—

Original issue *$10 and **£1. Next val September 5.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'tbashi July 31		Y41,224		41,224
Nippon Fd Aug 17	$28.36	29.62		0 91

Britannia Intl. Investment Mngmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.
P O. Box 86, Guernsey 0481-26521

Capital Reserve Fund	£16 69	16 71	....	0 78
C I Fund	343 5	363 9		2.52
Special Sits. Fund	129 9	137.8	...	2.12
Sterling Income Fund	108 8	113 4		10.58
Dollar Income Fund	$1 030	1.074	-0.013	12.71
Trans. Nat. Trust	$1 165	1 227	-0.008	2.44
Intnl. Bond	$107 03	112.64		9 59
Int. Equity	$21 92	23 07		1 59
Int. Svgs. 'A' $US	$1 63	1 72	...	—
Int. Svgs. 'B'	$2 43	2.56		—
Galleon Ass. Fund 'A'	$1.093	1.096		—
Galleon Ass. Fund 'B'	$1.387	1.395		—
Amer. Spec. Accts.	$1 08	1 14		—

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	183 4	195 1		—
Nirl. Res. (U.S. cents)	135 9	144 6		—
Gilt Fund	£10 36	10.97		11 39
Prime Res. Props.	101 0	109.0		—

Henderson Baring Group
1901, Edinburgh Tower, Hongkong

Australia	$10 11	10 90		—
Hong Kong	$11.56	12.39		—
Japan Tech.	$27 26	29 13	...	—
Japan Fund	$37.54	40.10		—
Malay Sing.	$22.23	23.94		—
Pacific Fd.	$14.855	15.597		—
Bond Fd.	$10 562	11 090		10 8

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C I

Guernsey Tst.	289 6	309.8	-4.3	2 57

Hill Samuel Investment Mgmt. Intnl.
P O. Box 63, Jersey 0534 76029

UK Equities (C.I. Fd.)	201.1	214.2		2 50
UK Gilt (Jy. Fxd. Int.)	104 0	111 0		11 00
Int. Man. (Growth Fd.)	168.5	181 6		—

Intl. Currency Fund

D Mark		DM42 40		—
£ Sterling		£11 14		—
Swiss Franc		SF35 84	+0 01	—
U S $	$22 23	—	+0 01	—
Managed Fund	£11 48	12 06	-0 05	—

Box 2622, Berne, Switzerland. Telex 33425.

H.S. Overseas Fd.	$28 63	30.06	-0.25	—
Balanced (CSF Fund)	SF22 17	23.80	-0 15	—

COMMODITIES AND AGRICULTURE

Crop fears depress cocoa values

By Our Commodities Staff

AMID GROWING uncertainty about the impact of this year's drought on West African crops cocoa prices on the London futures market continued to decline yesterday.

The December quotation fell £35 to £1,476.50 a tonne taking the decline from the peaks inspired by the crop fears at the beginning of this month to £251.50.

Analysts returning from crop assessment tours of the Ivory Coast, the world's biggest cocoa producer, are reported to be more hopeful for that country's crop though they confirm that rainfall is urgently needed during the next few weeks.

● MOST REGIONS of the Soviet Union lack sufficient storage space for fertiliser supplies vital for next year's grain crop, Izvestia said.

● PENINSULAR Malaysian crude palm oil production in June rose to 221,769 tonnes from a revised 220,001 in May.

● THE U.S. is trying to curb coffee shipments from Puerto Rico. Proposals to ship up to 100m lb of coffee from Puerto Rico would constitute a major breach of the International Coffee Agreement.

● MALAYSIA has asked Japan to increase its imports of Malaysian rubber and timber.

● WELSH FISHING officers believe a salmon poaching gang may have "poisoned" a stretch of the River Dovey, killing nearly 200 sea trout and several hundred smaller fish.

● BRAZIL denies having lowered its coffee prices to non-members of the International Coffee Organisation.

● THE NEXT decade is critical for protecting British wildlife sites, says the Nature Conservancy Council. But if sites are not protected now, wild plants and animals will be threatened.

Zinc prices hit nine-year high

BY JOHN EDWARDS, COMMODITIES EDITOR

ZINC VALUES rose to the highest levels for over nine years on the London Metal Exchange yesterday. Cash zinc rose by £9.5 to £562 a tonne, while the three months quotation closed £10.5 higher at £578.75 and moved further ahead in late trading.

The late upsurge was encouraged by reports that a North American producer, Hudson's Bay, had raised its U.S. domestic selling price for zinc to 46 cents a pound.

If followed by other producers, this will not only confirm the strong demand for zinc in the U.S. at present but also put pressure on for a further increase in the European producer quotation from the recently established level of $850 a tonne.

Traditionally, U.S. prices are set at a premium of around $100 a tonne above the European level and if this differential is widened European prices may have to be raised again to prevent a flow of supplies across the Atlantic.

The steep increase in LME values, which have risen by more than £100 in the past two months, has also encouraged European zinc producers to increase their prices twice recently from $780 to $820 and then $850.

If the present strength is maintained, the producers may well be tempted to push prices even higher, since they claim that present levels are barely above break-even point and a rise to over $1,000 is justified on economic grounds.

Much of the recent buying of zinc on the LME has come from speculative sources: yesterday's rise partly reflected the market breaking through chart buying signals.

Nevertheless consumer demand for zinc is reported to be reasonably good, especially in the die-casting sector.

Speculative selling adds force to sugar decline

SPECULATIVE SELLING helped to push world sugar values lower yesterday. In the morning, the London daily raws price was fixed at £163.50 a tonne, £9 below Tuesday's level, and the December position on the London futures market ended the day £3 down at £188 a tonne.

The decline was also encouraged by official estimates of a "good" Polish sugar beet harvest of 15.16m tonnes yielding about 1.8m tonnes of sugar. This would be about the same as last year's output.

In London, British sugar said its latest beet test showed average root weights of 468 grammes, down from 707 grammes last season, and sugar content of 14.63 per cent, up from 1982's 14.43 per cent.

The figures indicate a crop of around 1.1m tonnes, down from last year's 1.4m record, assuming sufficient sunshine and rain between now and the end of October.

At the regular weekly tender in Brussels, the EEC Commission granted export licences of 52,050 tonnes of white sugar at a maximum export rebate of 26.364 European Currency Units per 100 kilos. The result was similar to last week's and was generally in line with market expectations.

S. Africa to subsidise wool export losses

By Bernard Simon in Johannesburg

THE South African Government is to subsidise wool export losses to a maximum of R12.5m (£7.48m) in the coming season, Mr Owen Horwood, the Minister of Finance, said yesterday.

He said that the recession in world markets was in danger of depleting the Wool Board's stabilisation fund which aims to cushion the effect of weak markets on farmers' income.

The Wool Board had to pay out R22m in the 1982-83 season, equal to a quarter of the fund, to supplement farmers' earnings. It also negotiated a $250m (£167m) foreign loan late last year to ease its financial burden.

The board has had to finance a large build-up of stocks, currently equal to about one-third of annual production. South Africa earned less than R200m from wool exports in the year to June 1983, compared to R280m in the previous 12 months.

Mr Faan van Wyk, the Wool Board's chief executive, said that the board is budgeting for a shortfall of R27m this year, of which just over R5m will be met by the Government in terms of the guarantee scheme announced by Mr Horwood.

Hopes have been raised, however, by the recent appreciation of the Australian dollar, to which South African wool prices are linked, and the decline of the South African rand.

"We have a good chance that the Government will not have to give us a single cent," Mr van Wyk said.

The first auction of the 1983-84 season takes place next Wednesday.

Potato futures continue downward slide

BY RICHARD MOONEY

PRICES ON the London potato futures market continued to slide back yesterday with the April 1984 position losing another £10.75 to £233.75 a tonne, after reaching £224 a tonne at one stage. Last night's price was £36.75 below the record reached earlier this month.

In the absence of fresh fundamental news, dealers attributed yesterday's fail to carry-over selling sparked by a sharp decline on the Amsterdam futures market.

Continued speculative profit-taking and associated stop-loss selling were thought to be mainly responsible for this.

UK producer prices for potatoes rose sharply last week, according to the Potato Marketing Board, but retail prices eased a little.

The board calculated last week's average producer price at £157.77 a tonne, up from £127.50 a week ago and more than three times the level ruling at the same time last year.

It quoted a London wholesale price range of 450-560p per 25 kilo sack compared with 400p-500p last week.

But with retail demand seasonably lighter English and Welsh shop prices for loose potatoes were virtually unchanged while prepacked supplies were a few pence cheaper.

Murphy's Law: shortages increase farmers' profits

David Richardson looks at the varying fortunes of Britain's potato growers

AN ACRE of potatoes currently costs a farmer about £850 to grow, harvest and store.

Last autumn, when growing costs were similar and the ex-farm price even for best samples was seldom more than £50 per tonne the theoretical break-even yield was therefore about 17 tonnes per acre.

This month, prices for some varieties have been running at well over £150 per tonne, giving a break-even point of 5-6 tonnes per acre or less.

But 1982 produced record national average yields of 14.77 tonnes per acre, while 1983 seems more likely to be a closer match to 1976 when the average fell to only 8.66 tonnes per acre.

Even from those bald average statistics it is easy to deduce that potato growers are likely to make more profit in this year of shortage than they did from last season's big crop.

Paradoxically, they did not plan it that way. It is every farmer's ambition to grow the biggest yield his land will produce but this year the fickle British climate let him down.

The wettest spring for years meant that potatoes which should have been planted in March and April were still in bags in the barn at the end of May. On many farms in the Fens, traditionally the finest area for potato growing in Britain, the soils did not dry sufficiently to carry a tractor and planter until early June.

By then the period for growth and therefore the potential for yield had already been seriously reduced. But before the puny plants had time to establish themselves the weather changed its character completely and there followed the driest July for 300 years.

In most of the main growing areas the drought has continued through August and recent showers have done little to help. The Potato Marketing Board refuses to give an official estimate of national yield at this stage, but traders are talking of a probable short-fall of 1.5m tonnes below the 6m tonnes normally consumed in Britain each year.

In the past it has usually been possible to look to Holland to make up any deficit. This year, instead of their usual massive exportable surplus the Dutch may not even have enough to satisfy domestic demand.

While driving across the rich polder soils a few days ago I saw countless crops which would yield less than ours at home — the result of even worse spring weather than we endured.

Neither is there much prospect of extra supplies from further afield. Most of Europe is similarly affected, the USA has suffered a serious drought and the whole southern hemisphere has had an even more disastrous and extended period of dry weather.

In short, there is a world shortage of potatoes, and although UK growers will benefit from high prices per tonne this year most yields will be low and overall returns relatively modest.

There are, however, a few exceptions. They are the farmers who have sandy land along the coastal strips of Norfolk and Suffolk. They have light soils which drain freely and work easily after rain, and they were able to plant their potatoes at the optimum time in the spring.

Moisture is always short on such soils so most of those farmers have installed irrigation equipment to insure themselves against just such a dry spell.

While the rest of the country basked in the hot dry days of July, holidaymakers on those eastern beaches shivered in chilly sea mists. It was bad for tans, but good for 'tates.

In the last few weeks, some of those coastal farmers have been lifting yields of 20 or more tonnes per acre of potatoes from irrigated sandy soils and selling them at prices which peaked at £190 per tonne.

For a few farmers and a few futures speculators as well, no doubt the 1983 potato crop will be like winning the football pools. For the rest of us it will be a mixed blessing — for as the shortage begins to bite, prices in the shops will rise.

Shoppers are already paying between 10-15p per pound for loose potatoes and although those levels will drop temporarily when the main lifting season begins in a few weeks, they will almost certainly creep up again to 20p or more as the winter draws closer.

Last time potatoes were that expensive was in 1976 and consumption per head of the population dropped to 87 kilos. Previously, consumption had been running at more than 100 kgs per head, but it took four years to get back to that level and in 1982 the Potato Marketing Board claimed sales had reached an all-time high of 105.5 kgs per head.

Inevitably, short supplies and high prices will again create consumer resistance and that must be bad for the whole potato industry. But it will also demonstrate perhaps that the production of surpluses is neither automatic nor inevitable, and that a modest oversupply is better than a shortage.

PRICE CHANGES

In tonnes unless stated otherwise	Aug. 24 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£950
Free Mkt	$1600/1650	....	$1550/660
Copper			
Cash h grade	£1089	+5	£1126.75
3 mths	£1096.25	+4.5	£1151.25
Cash Cathode	£1036.5	+3.5	£1089
3 months	£1063.25	+3.75	£1117
Gold troy oz	$425.875	—1.75	$428.75
Lead Cash	£263.75	+2.5	£261.5
3 months	£273.75	+2	£271.75
Nickel	£4625.93	....	£4720.75
Free mkt	220/250c	....	219/238c
Palladium	$152.50	—1.25	$153.50
Platinum	£291.20	+1	£293.65
Quicksilver†	$275/285	....	$280/290
Silver troy oz	825.45p	—8.25	808.90p
3 mths	843.45p	—8.45	828.50p
Tin cash	£8433.5	+12	£8592.5
3 month	£8537	+1.5	£8618
Tungsten	$84.52	....	$83.07
Wolfsm 22.04 lb	$73/77	....	$76/80
Zinc Cash	£562	+9.5	£500.75
3 mths	£578.75	+10.5	£515.75
Producers	$850	....	$820

	Aug. 24 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$1020z	—5	$970
Groundnut	‡	....	‡
Linseed Crude	‡	....	£358
Palm Malayan	$620v	—20	$450
Seeds			
Copra Phil	$655x	....	$510
Soyabean (U.S.)	$358.5	+15.25	$278.5
Grains			
Barley Fut. Nov	£117.80	+0.05	£115.30
Maize	£143.50w	....	£141
Wheat Fut. Nov	£125.10	—0.45	£119.90
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1532	—35	£1723
Fut. Dec	£1476.5	—35	£1665
Coffee Ft. Nov	£1700.5	+3	£1664.5
Cotton A. Index	91.70c	+1.1	89.30c
Gas Oil Sept	$261.25	+0.75	$251.125
Rubber (kilo)	78.5p	+0.5	80p
Sugar (Raw)	£163.5zv	—9	£177
Woolt'ps 64s	392p kilo	....	384p kilo

‡ Unquoted. z Aug-Sept. u Nov. y Sept-Oct. x Oct-Nov. w Sept. v Oct. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.75-28.80	—0.05
Iranian Light	28.10-28.20	—
Arabian Heavy	26.65	—
North Sea (Forties)	30.60-30.65	—0.03
North Sea (Brent)	30.85	—0.05
African Bonny L'ht	31.05-31.10	—0.55
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	312-314	—
Gas oil	256-261	—1.0
Heavy fuel oil	172-175	—

GAS OIL FUTURES

Slightly constructive U.S. stock figures led to a steady opening with prices moving to the highs on general buying. New York's failure to move higher on the figures brought London down during the afternoon and the market closed on the lows, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Aug	258.50	+1.25	259.00-58.50
Sept	261.25	+0.75	262.75-67.25
Oct	265.00	+0.75	266.25-65.00
Nov	268.25	+1.25	269.50-68.00
Dec	270.00	+0.75	271.50-76.00
Jan	270.25	+1.50	270.75-70.00
Feb	267.00	....	265.00
Mar	264.75	+0.75	264.75
April	263.00	—0.50	—

Turnover: 1,886 (1,796) lots of 100 tonnes.

GOLD MARKETS

Gold fell $1¾ from Tuesday's close in the London bullion market yesterday to finish at $423½-424½. The metal opened at $423½-424½ and traded between a high of $424-424½ and a low of $423-423½.

In Frankfurt the 12½-kilo bar was fixed at DM 35,855 per kilo ($422.01 per ounce) and closed at $424-424½ against $426-426½ on Tuesday.

In Paris the 12½-kilo bar was fixed at FFr 108,000 per kilo ($422.21 per ounce) in the afternoon compared with FFr 108,000 ($421.86) in the morning and FFr 107,800 ($425.71) on Tuesday afternoon.

In Zurich gold finished at $423-426 from $426-429.

In Luxembourg gold was fixed at $424.10 per ounce against $426.20.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Sept	424.60-27.0	—2.250	425.00
Oct	428.80-29.0	—1.850	4.2900-28.5
Nov	432.00-33.0	—2.000	—
Dec	436.30-36.9	—1.300	438.50-35.4
Jan	439.60-40.4	—2.050	—
Feb	443.60-44.5	—1.800	443.70
Mar	447.00-49.0	—	—

Turnover: 428 (696) lots of 100 troy ounces.

	Aug 24		Aug 23	
Gold Bullion (fine ounce)				
Close	$423⅛-424¼	(£278¾-279¼)	$425¼-426	(£278-278½)
Opening	$423½-424¼	(£278¼-278¾)	$425¾-426½	(£277-277½)
Morning fixing	$423.75	(£278.289)	$425.75	(£277.542)
Afternoon fixing	$424	(£278.124)	$426.40	(£279.021)

Gold Coins Aug 24					
Krugrnd	$437½-438¼	(£288¼-288¾)	King Sov	$101½-103	(£66¾-67¾)
½ Krg	$225¼-226¼	(£148½-149)	Victoria Sov	$101½-103	(£66¾-67¾)
¼ Krg	$114¾-115¾	(£75½-76¼)	French 20s	$84¾-86½	(£55¾-57)
1/10 Krug	$46½-47½	(£30¾-31¼)	50 pesos Mex	$518-520	(£341¼-342½)
Mapleleaf	$437½-438½	(£288¼-288¾)	100 Cor. Aust	$416-420	(£274-276¾)
New Sov	$100-101½	(£65¾-66¼)	$20 Eagles	$600-610	(£395¼-401¾)
½ New Sov	$59½-61½	(£39¼-40½)			

EUROPEAN MARKETS

ROTTERDAM, August 24.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter Sept 170, Oct 175, Nov 177.50, Dec 180. U.S. Northern Spring 14 per cent protein Sept 187.50, Oct 189, Nov 192, Dec 195. U.S. Three Amber Durum Sept 211, Oct 213, Nov 216.

Maize—(U.S. $ per tonne): U.S. three yellow Aug 175, Sept 168, Oct/Dec 166.50; Jan/Mar 170.50 sellers. Argentine afloat 178, Aug 178, Sept 177.50 sellers.

Soyabeans—(U.S. $ per tonne): U.S. two yellow gulfports Aug 352.50, Sept 353, Oct 354, Nov 358, Dec 360.50, June 364.50, Feb 368.50, Mar 370 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 293, Aug 294, Sept 294, Oct 295, Nov/Mar 301.50 sellers. Pellets Brazil Aug 305, Sept 308, Oct 315 sellers. Pellets Argentine afloat 295, Aug 300, Sept 304, Oct 309 sellers.

PARIS, August 24

Cocoa—(FFr per 100 kg): Sept 1740-1750, Dec 1806-1817, March 1823-1827, May 1840 bid, July 1860 bid, Sept 1880 bid, Dec 1890 bid.

Sugar—(FFr per tonne): Oct 2300-2301, Dec 2450 asked, March 2630-2640 bid, May 2695-2708 bid, Aug 2775-2787 bid, Oct 2836-2846 bid.

BRITISH COMMODITY MARKETS

BASE METALS

ZINC PRICES rose to their highest levels since June 1974 in active trading on the London Metal Exchange as speculative and chartist buying followed reports that Hudson Bay has increased its U.S. producer price to 46 cents; forward zinc touched £583 before closing at £582. Other metals were boosted by the decline in sterling against the dollar. Copper was finally £1,098.75, while Tin closed at £8,542.5, Lead at £273.75 and Nickel at £3,337.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1070-.5	+5.25	1068.5-9.5	+5
3 months	1097-.5	+2	1096 .5	+4.5
Settlem't	1070.5	+5	—	......
Cathodes				
Cash	1037.5-8	+1.75	1036-7	+3.5
3 months	1066-.5	+3	1063-.5	+3.75
Settlem't	1038	+1	—	......
U.S. prod.	—	......	*77-81	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,071, 1,070.50, three months £1,098.50, 98, 97.50, 97. Cathodes: Cash £1,037, 37.50. Kerb: Higher Grade: Three months £1,097, 98.50, 96. Afternoon: Higher Grade: Three months £1,097, 96, 96.5, 96. Kerb: Higher Grade: Three months £1,097, 98, 97.50, 98, 98.50, 99. Turnover: 21,175 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8430-5	+1	8432-40	+14.5
3 months	8545-6	+.5	8545-6	+5
Settlem't	8435	—5	—	......
Standard				
Cash	8427-8	+5	8432-5	+12
3 months	8537-8	......	8536-8	+1.5
Settlem't	8428	+3	—	......
Straits E.	$530.21	......	—	......
New York	—			

Tin—Morning: Standard: Cash £8,425, 27, three months £8,537. High Grade: £8,435, three months £8,545. Kerb: Standard: Three months £8,536. Afternoon: Standard: Cash £8,435, 32, three months £8,540, 38. Kerb: Standard: Three months £8,540, 42, 45. Turnover: 960 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	264-.25	+3	263.5-4	+2.6
3 months	273.5-.75	+2.5	273.5-4	+2.5
Settlem't	264.25	+5	—	......
U.S. Spot	—	......	*19-24	......

Lead—Morning: Cash £264, 64.25, 64, three months £272.50, 73, 73.50, 74, 73.50. Kerb: Three months £274, 73.50, 72.50. Afternoon: Three months £272, 73, 73.25, 73.50. Kerb: Three months £273.50. Turnover: 8,250 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	561.5-2	+13.5	561.5-2.5	+9.5
3 months	577-.5	+15	578.5-9	+10.5
Settlem't	562	+13.5	—	......
Primw'ts	—	......	*45-.75	......

Zinc—Morning: Cash £560, 61, 62, three months £574, 73, 72.50, 73, 73.50, 74, 74.50, 75, 76, 77. Kerb: Three months £576.50. Afternoon: Three months £577.50, 77, 78, 80, 81, 80, 79. Kerb: Three months £579, 79.50, 80, 81, 82, 83, 82, 81.50. Turnover: 12,050 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1086.5-7	+3	1081.5-2.5	—1.5
3 months	1115-.5	+8.5	1110-.5	—2

Aluminium—Morning: Cash £1,087, three months £1,114, 14.50, 15, 14, 14.50, 15, 15.50, 15. Kerb: Three months £1,114, 13.50, 13, 12, 11, 10.50, 10, 10.50. Afternoon: Three months £1,107, 06.50, 06, 05.50, 06, 07, 08, 07.50, 07, 07.50, 09, 10, 10.50, 10. Kerb: Three months £1,110, 11, 10.50, 11, 11.50, 11, 10.50, 10, 11, 12, 12.50, 12. Turnover: 21,300 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3250-5	+55	3258-62	+27.5
3 months	3335-6	+51.5	3340-2	+24.5

* Cents per pound. ‡ MS per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,335, 37, 36, 37, 35, 36, 35. Kerb: Three months £3,337. Afternoon: Cash £3,260, three months £3,338, 35, 30, 32, 40, 42. Kerb: Three months £3,342. Turnover: 804 tonnes.

SILVER

LME—Turnover 79 (88) lots of 10,000 ounces. Morning: Three months 843.0, 43.5. Kerb: three months 843.0. Afternoon: three months 850.0. Kerb: three months 852.0, 54, 55.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoff'cl	+ or —
Spot	823.45p	—8.25	831p	......
3 months	843.15p	—8.45	851.75p	+0.5
6 months	863.65p	—8.45	—	......
12 months	905.50p	—8.50	—	......

Silver was fixed 8.25p an ounce lower for spot delivery in the London bullion market yesterday at 823.45p. U.S. equivalents of the fixing levels were: spot $12.525, down 24.2c; three-month $12.84, down 24.9c; six-month $13.163, down 25.1c; and 12-month $13.827, down 25c. The metal opened at 824-828p ($12.55-12.59) and closed at 826-828p ($12.55-12.59).

COCOA

Prices continued to wend their way lower and futures made recent lows before light buying aided a £10 rally on the close. Although producers considered the levels unattractive there was noticeable consumer scale-down buying during the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£per tonne		
Sept	1446-47	—37.0	1466-40
Dec	1476-77	—35.0	1495-65
March	1475-76	—33.0	1496-70
May	1488-84	—33.0	1505-80
July	1490-95	—33.0	1513-90
Sept	1500-05	—32.0	1518-97
Dec	1509-15	—27.0	1525-03

Sales: 8,301 (4,632) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for Aug 24: 98.55 (101.45); five-day average for Aug 25: 101.36 (102.65).

COFFEE

With no fresh features emerging the market traded in a tight range throughout a very quiet session, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept	1719-20	+2.0	1725-18
Nov	1700-01	+3.0	1706-98
January	1681-85	+6.5	1686-81
March	1640-41	+2.0	1647-40
May	1605-12		1616-14
July	1594-96	+4.0	1597-96
Sept	1570-80	+0.5	—

Sales: 2,653 (4,306) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for August 23: Comp. daily 1979: 126.96 (126.55); 15-day average 124.52 (124.26).

GRAINS

Wheat dropped 50p on easier country trade, attempted to improve but met shipper selling. Barley remained fully steady after initial losses of 20p with shipper buying against long liquidation, reports Muirpace.

WHEAT			BARLEY	
Mnth.	Yestrday's close	+ or —	Yest'day's close	+ or —
Sep	122.80	—0.25	114.50	+0.10
Nov	125.10	—0.45	117.80	+0.05
Jan	128.30	—0.50	121.40	+0.05
Mar	131.50	—0.50	124.40	—0.05
May	134.35	—0.50	126.85	+0.20
July	137.90	—0.50	—	—

Business done—Wheat: Sept 122.90-2.60, Nov 125.35-5.10, Jan 128.70-8.30, Mar 131.50-1.30, May 134.70-4.50, July untraded. Sales: 182 lots of 100 tonnes. Barley: Sept 114.50-4.20, Nov 117.85-7.50, Jan 121.45-1.10, Mar 124.40-4.10, May 126.90-6.70. Sales: 367 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 110.80, E. Mids 109.80, N. East 110.20, Scotland 108.30. The UK monetary coefficient for the week beginning Monday August 29 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Sept 133.75, Oct 135.10, Nov 136.35 transhipment east coast sellers. English feed fob Sept 124 paid east coast; milling Sept 129.50, Oct 131, Nov 132.50 east coast sellers. Maize: French first half Sept 143.50 transhipment east coast sellers. Barley: English feed fob Jan/Mar 127.25 east coast seller. Rest unquoted.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 564.0, 565.0, 565.0-564.0; Dec 575.0, 576.0, 578.0-576.0; Mar 594.5, 595.0, 595.5-595.0; May 607.0, 608.0, 607.0; July 621.0, 622.5, untraded; Oct 612.5, 614.0, u/t; Dec 618.5, 620.0, 620.0. Sales: 43.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 422, 428, 426; Dec 423, 438, 436; Jan 425, 428, 427-426; Mar 432, 436, 436-436; May 440, 445, 445-443; Aug 452, 456, 456-454; Oct 455, 459, 457; Dec 461, 464, 463; Jan 463, 468, 468. Sales: 58.

POTATOES

The market fell precipitously following an early lead from Amsterdam although closes were well above the day's lows, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	160.00	171.00	167.00-60.0
Feb	192.00	202.50	195.00-88.0
April	234.00	244.50	257.50-24.0
May	242.50	254.00	245.00-30.0
Nov	81.50	83.50	85.00

Turnover: 1,745 (1,040) lots of 40 tonnes.

RUBBER

The physical market opened slightly steadier, attracted little interest throughout the day closing idle. Lewis and Peat reported a September fob price for No. 1 RSS in Kuala Lumpur of 268.0 (267.0) cents a kg and SMR 20 230.0 (229.5).

No. 1 R.S.S.	Yest'day's close	Previous close	Business Done
	£ per tonne		
Sep	783-795	779-789	—
Oct	784-790	781-782	—
Oct-Dec	783-785	779-780	786-782
Jan-Mch	807-808	803-805	810-806
Apl-Jne	827-829	822-824	—
Jly-Sept	846-847	842-843	848-846
Oct-Dec	864-865	860-863	—
Jan-Mch	882-884	878-883	882-881
Apl-Jne	900-903	896-903	889

Sales: 92 (91) lots of 15 tonnes, nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.50p (78.00p); Oct 80.50p (79.50p); Nov 81.00p.

SOYABEAN MEAL

The market opened unchanged in quiet conditions, reports T. G. Roddick. Prices eased on stop-loss selling reaching £4.00 down before late pricing steadied values.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	198.50-98.80	—1.80	199.50-94.40
Dec	202.50-02.80	—0.55	204.00-98.50
Feb	205.50-06.00	—0.75	207.00-02.00
April	204.10-05.00	—1.15	209.50-04.50
June	202.00-05.00	—2.50	202.00
August	202.00-03.50	—1.75	—
October	198.00-02.00	—5.00	—

Sales: 308 (244) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £163.50 (£172.50) a tonne for Aug-Sept-Oct shipment. White sugar £187.00 (£192.00).

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Oct	176.00-76.25	178.75	179.50-75.00
Dec	184.75-85.25	187.50-88.50	187.00-83.00
Mar	198.25	198.25	200.25-84.75
May	200.25-00.50	201.50-05.75	201.25-00.00

Sales: 5,600 (2,983) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £273.50 (£283.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 23: Daily price 10.23 (10.50); 15-day average 10.69 (10.79).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 50 tonnes. Minor contracts were put through, but interest was displayed in various African styles. The call for North American qualities was muted, but additional support came in Middle Eastern supplies.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 79.6p a kg (79.1p withdrawn); 26-30.5 kg, 80.4p a kg withdrawn (82.0p withdrawn); 22-25.5 kg, 91.5p a kg (90.1p). Cows: 25.5 kg, 86.9p a kg (85.4p withdrawn).

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 92.70p per kg lw (−0.261). GB—Sheep 122.41p per kg est dcw (+14.58). GB—Pigs 66.59p per kg lw (−2.08).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 77.0 to 82.0. Lamb: English small 54.0 to 59.0, medium 51.0 to 56.0; imported: New Zealand PL 58.0 to 58.8, PX 53.3 to 54.0. Pork: English under 100 lb 37.0 to 50.0, 100-120 lb 45.0 to 48.0, 120-160 lb 41.5 to 46.5.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.00-£6.00, codlings £2.00-£4.50; large haddock £3.50-£4.20, medium £2.50-£3.50, small £1.60-£2.40; large plaice £4.20-£5.00, medium £4.00-£5.60, best small £4.00-£5.20; skinned dogfish (large) £6.0-£7.00, (medium) £3.50-£5.50; lemon sole (large) £12.00, (medium) £7.00; rockfish £3.80-£4.00; reds £1.50-£2.40; saithe £1.20-£1.80.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported produce: Tambors—Outspan: 6.00-6.50. Tangerines—Brazilian: Honey, tray 4.70-5.20; Australian, Ellendales carton 10.00-11.00. Oranges—Outspan: Valencia Lates 40 6.60, 48 6.40, 56 7.20, 72 6.95, 88 6.80, 112 5.80, 138 6.45, 150 4.70; Brazilian: Pears 3.80-4.00, Navels 5.20-5.50. Lemons—Outspan: carton 14.00-15.00; Uruguyan: carton 15.50-16.00; Spanish: 5-kg 5.00-5.50; Italian: carton 11.00-12.00. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: box 6.70-7.40.

Apples—French: Golden Delicious (new crop) carton 8.90-9.00; Spanish: Golden Delicious (new crop) 8.80-9.00, Granny Smith 13.00-13.50; Italian: Jersey Mac per pound 0.20-0.22; New Zealand: Granny Smith 14.00-14.50. Pears—French: per pound Guyot 0.10-0.11, Williams 0.15-0.16; Spanish: Williams 0.16-0.18; Italian: Williams 0.16-0.22. Grapes—Cyprus: 11-lb Cardinal 3.00, Sultana 4.00; Italian: per pound Regina 0.28-0.30; Spanish: Italia 0.35-0.40, Alphonse 0.28-0.30; Greek: Sultana 0.28-0.30; French: Alphonse 0.40. Peaches—Italian: large trays 2.40-3.00; French: 1.60-3.00. Nectarines—Italian: large trays 3.50-4.80. Plums—Italian: per pound giants 0.20-0.22, Stanley 0.16-0.17, Blue 0.20-0.25. Gages—Spanish: tray 2.00-2.40; French: large trays 4.00-4.50. Water-melons—Spanish: 15-kg 3.00-3.20; Italian: Sugar Baby 3.60-4.00. Melons—Spanish: Yellow 10-kg 3.20-3.50; French: large trays Charentais 6.00-6.50, Galia large trays 4.00-4.50. Bananas—Colombian: 40-lb boxes 10.60-11.00. Avocados—South African: 5.50-6.00; Kenyan: 4.20-4.50. Paw Paws—Brazilian: 7.00-7.50. Mangoes—Mexican: box 3.00-9.00. Fennel—Dutch: 5-kg 5.20-5.50. Kiwifruit—New Zealand: 6.20-6.50. Tomatoes—Dutch: tray 1.50-1.70, Beefsteak 3.00-3.20. Aubergines—Dutch: 5-kg 3.50. Onions—Spanish: Grano 25-kg nets 3.80-4.00; Dutch: 50/70mm 4.00-4.20. Capsicums—Dutch: 9.00, green 4.40, red 5.00. Cabbages—Dutch: red 8.00, white 9.50. Courgettes—Jersey: 12-lb 2.10-2.40. Potatoes—Cyprus: 44-lb bag 4.50-4.80; Jersey: Maris Peer, per pound ware 0.15, mids 0.20. Sugar Peas—Kenyan: per pound 2.00. Globe Artichokes—French: 24s 8.50-9.00. Lettuce—U.S.: Iceberg 30s 20.00.

English produce: Apples—Per pound Bramley new season 0.13-0.15, Howgate 0.08-0.10, Discovery 0.18-0.26, Miller 0.15-0.18. Strawberries—8-oz 0.50-0.70 according to condition. Raspberries—4-oz punnets 0.50-0.60 according to quality. Blackberries—8-oz 0.20-0.22. Plums—Per pound Belles 0.15-0.18, Damsons 0.20-0.25, Victorias 0.25-0.28, Pershore 0.10. New Potatoes—4.00-5.00. Mushrooms—Per pound, open 0.60-0.70, closed 0.80-1.00. Lettuces—Per tray round 0.80-1.00, Cos 1.50-1.60, Webb's 1.80-2.00, Iceberg, per dozen 7.00-8.00. Onions—Per ½-lb 3.50-4.00. Cabbages—Per 25-lb Primo 3.40-3.80. Greens—28-lb Kent 2.20-2.50. Carrots—Per pound 26/28-lb new 2.00-2.60. Cauliflowers—12's Lincoln 2.50-3.50. Cucumbers—1.50-2.00. Tomatoes—Hothouse 12-lb 0.90-1.00. Celery—4.00-5.00. Beetroots—28-lb 3.80-4.00. Turnips—28-lb 3.50. Stick Beans—Per pound 0.25-0.35. Swedes—28-lb 3.00. Peas—Per pound 0.15-0.20. Sugar Peas—Per pound 1.50-1.80. Capsicums—Green per pound 0.25-0.30. Corn Cobs—Each 0.08-0.14. Parsnips—28-lb 3.00-3.50. Leeks—Per pound 0.30-0.35.

INDICES

FINANCIAL TIMES

Aug. 23	Aug. 22	M'th ago	Y'ar ago
290.88	292.85	283.10	232.59

(Base: July 1 1952=100)

REUTERS

Aug. 24	Aug. 23	M'th ago	Y'ar ago
1904.2	1911.6	1890.4	1529.2

(Base: September 18 1931=100)

MOODY'S

Aug. 23	Aug. 22	M'th ago	Y'ar ago
1097.0	1097.9	1072.0	1014.9

(December 31 1931=100)

DOW JONES

Dow Jones	Aug. 23	Aug. 22	Month ago	Year Ago
Spot	148.09	148.54	144.98	127.83
Fut'rs	154.36	158.89	150.85	130.86

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, August 24

Precious metals were mixed with gold under moderate pressure and silver moderately lower; the failure of the market to make new gains attracted new selling which put the market on the defensive. The copper market closed essentially unchanged trading in a very narrow range with arbitrage selling being offset by selective bargain hunting. Heating oil opened strong following a smaller than expected build up in distillate stocks but failed to hold the early gains; market strength was gradually eroded by trade hedging and local selling. Sugar prices finished lower on heavy selling by commission houses as a follow-through on the selling wave of Tuesday. Coffee prices rallied on rumours that a dockworkers strike on the entire east coast was a serious possibility by the end of September; this triggered roaster and dealer inquiries as well as local short-covering. Cocoa prices closed lower as reports of upward revisions in production prospects in West Africa encouraged steady selling. Cotton prices rallied on rumours of Chinese purchases and on forecasts of hot and dry weather over the main production districts. Short covering in soyabean and oil on the close carried both markets to new contract highs. Soyameal lagged with maize which closed lower on massive profit-taking and some local selling. Wheat prices were moderately lower on a lack of interest and spreading against soyabeans, reports Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Sept	2016	2039	2015	2055
Dec	2069	2083	2052	2093
March	2090	2109	2080	2123
May	2115	2126	2097	2148
July	2140	2140	2120	2161
Sept	2135	2135	2135	2171
Dec	2150	2175	2150	2176

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	133.60	133.95	132.05	132.23
Dec	130.73	131.85	130.60	131.33
Mar	128.49	129.00	128.45	128.30
May	126.40	126.70	126.25	125.75
July	124.00	124.95	124.50	124.50
Sept	122.19	122.95	122.50	122.13
Dec	120.50	121.05	121.00	120.50

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Aug	73.55	73.65	73.50	73.50
Sept	73.60	73.75	73.45	73.55
Oct	74.40	74.45	74.45	74.35
Dec	75.90	76.10	75.75	75.85
Jan	76.65	—	—	76.60
Mar	78.20	78.40	78.05	78.15
May	79.65	79.95	79.65	79.60
July	81.05	81.10	81.00	81.00
Sept	82.45	82.80	82.50	82.40
Dec	84.55	84.75	84.75	84.50

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	79.70	79.90	79.20	79.05
Dec	81.02	81.15	80.47	80.35
Mar	81.87	82.05	81.60	81.31
May	82.21	82.21	82.05	81.80
July	82.25	82.30	82.00	81.60
Oct	77.25	—	—	76.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Aug	422.0	425.8	423.5	425.2
Sept	423.0	427.5	424.5	426.3
Oct	425.1	430.3	425.7	429.5
Dec	433.4	437.5	433.0	436.8
Feb	441.0	445.2	440.5	444.4
April	449.3	452.8	451.0	452.3
June	458.0	460.0	458.5	460.3
Aug	466.4	468.5	468.5	468.7
Oct	474.8	—	—	477.0
Dec	483.3	485.5	485.2	485.6
Feb	491.9	493.5	492.0	494.2
April	500.7	—	—	503.2
June	509.5	510.0	510.0	512.1

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Sept	84.85	86.60	84.75	85.07
Oct	85.55	86.70	85.50	86.06
Nov	86.25	87.60	86.25	86.90
Dec	87.20	88.40	87.15	87.89
Jan	87.50	88.70	87.50	88.24
Feb	87.70	88.70	87.00	87.50
March	85.00	86.40	85.00	85.40

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	119.20	119.25	118.70	118.70
Nov	116.85	116.95	116.60	116.30
Jan	112.25	112.30	111.80	111.80
March	111.65	111.70	111.45	111.25
May	111.40	111.30	111.00	111.15
July	111.30	111.50	111.50	111.15
Sept	111.50	—	—	111.25
Nov	110.75	110.75	110.75	110.50
Jan	110.30	—	—	110.20

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Aug	440.7	444.0	443.0	444.8
Sept	441.7	—	—	445.8
Oct	445.2	450.0	445.0	449.3
Jan	452.7	457.5	452.5	456.8
April	460.2	463.5	461.0	464.3
July	468.7	471.0	466.0	472.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Aug	1254.6	1260.0	1255.0	1257.2
Sept	1256.0	1275.0	1253.0	1269.0
Oct	1267.3	—	—	1280.5
Dec	1290.0	1309.0	1285.0	1303.5
Jan	1301.5	1314.0	1314.0	1315.2
March	1324.5	1344.0	1321.0	1332.5
May	1347.5	1367.0	1357.0	1362.3
July	1370.5	1382.0	1380.0	1386.1
Sept	1393.5	1415.0	1398.0	1409.9
Dec	1428.0	1448.0	1430.0	1445.4

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	10.10	10.35	9.95	10.35
Oct	10.70	10.90	10.60	10.83
Jan	11.70	11.86	11.64	11.85
Mar	12.20	12.37	12.15	12.37
May	12.52	12.69	12.49	12.71
July	12.76	12.88	12.74	12.94
Sept	12.97	—	—	13.15
Oct	13.10	13.25	13.10	13.39
Jan	13.10	—	—	13.39

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Post Office stamped with success

THE British Post Office has won an award for the best stamp design worldwide last year.

The award, by Il Collezionista, Italian philatelic journal, was won by the 19p Harlequin commemorative stamp, one of a set of four, celebrating the history of British theatre.

The stamps, bearing the Conference of European Posts and Telecommunications symbol and issued in April 1982, were the work of artist Adrian George. Forty-two countries nominated stamps.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm but meets caution

The dollar was firmer overall but failed to move outside a fairly narrow range, despite attempts to push it above DM 2.65 and below DM 2.6350, *suggesting* that the foreign exchanges are generally very cautious about the future trend of the U.S. currency, although if Friday's M1 announcement produces another minus figure there seems little reason to expect a dollar rally in the near future. There are still some fears about another surge in money supply next month, but at the moment interest is concentrated on this week's figure.

Sterling weakened against the dollar and Continental currencies. The market was mildly disappointed with the UK July trade figures, but with attention *focused on the dollar the pound* remained on the sidelines.

DOLLAR — Trade-weighted index (Bank of England) 127.5 against 119.4 six months ago. The latest figures on money supply have given rise to cautious optimism, and a halt to the dollar's advance. It had previously climbed to new records on fears of higher interest rates as a result of the U.S. Budget deficit and money supply growth.

The dollar improved to DM 2.64 from DM 2.6325 against the D-mark; to FFr 7.95 from FFr 7.9275 against the French franc; and to SwFr 2.15 from SwFr 2.1410 in terms of the Swiss franc, but eased to Y243.15 from Y243.30 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. July average 1.5278. Trade-weighted index 85.6 against 85.7 at noon, 85.7 at the opening, 85.7 at the previous close, and 80.2 six months ago. The pound has been fairly steady and firm of late, despite the volatility of the dollar. The absence of the Bank of England in international central bank intervention intended to stop the dollar's rise caused only a temporary softening of sterling, which has generally held up well against the U.S. currency and the Continentals.

Sterling opened at $1.5225-1.5235, and finished just above its lowest level of the day, at $1.5185-1.5195, a fall of 1 cent from the previous close. The pound also fell to DM 4.01 from DM 4.0250; to FFr 12.0775 from *FFr 12.1150; to SwFr 3.2675* from SwFr 3.2750; and to Y370.25 from Y372.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. July average 2.5595. Trade-weighted index 126.3 against 128.6 six months ago. Until the recent slowdown in U.S. M1 money supply growth the dollar was at its highest level for nearly 10 years against the D-mark, reflecting the large differential between U.S. and German interest rates. The improved M1 figure has played a greater part in restraining the dollar than the earlier intervention by the Bundesbank and other central banks.

The D-mark weakened against the dollar at the Frankfurt fixing, with the U.S. currency rising to DM 2.6423 from DM 2.6169. *Before the fixing the* dollar touched DM 2.65, but then eased back on profit-taking, and caution ahead of today's Bundesbank council meeting. At yesterday's fixing the central bank sold $3.05m, the first intervention for more than a week.

BELGIAN FRANC — Trading range against the dollar in 1983 is 54.49 to 45.90. July average 51.81. Trade-weighted index 91.6 against 94.1 six months ago. The Belgian franc is the weakest member of the EMS but has been under only slight pressure thanks to the weakness of European currencies against the dollar. Increased demand for the D-mark *in the event of any* permanent movement against the dollar, is likely to renew the strains which have often plagued the weaker members of the system, however.

The Belgian National Bank sold the equivalent of BFr 1.9bn in dollars last week to support the Belgian franc against the Irish punt, which touched its highest permitted level against the franc within the EMS. But the National Bank's foreign currency reserves increased by BFr 200m to BFr 64.2bn, partly as a result of income from foreign investments.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.7108	+1.80	+1.11	±1.5447
Danish Krone ...	8.14104	8.20488	+0.79	+0.10	±1.6426
German D-Mark	2.24184	2.27768	+1.60	+0.91	±1.0842
French Franc ...	6.87456	6.85845	−0.23	−0.92	±1.4052
Dutch Guilder ...	2.52595	2.54767	+0.86	+0.17	±1.4964
Irish Punt	0.72569	0.722884	−0.42	−1.11	±1.6699
Italian Lira	1403.49	1359.02	−3.17	−3.17	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Aug. 24	£	$		Note Rates
Argentina Peso...	16.63-16.69	10.93-10.94	Austria	[illegible]
Australia Dollar...	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro...	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka...	[illegible]	[illegible]	France	[illegible]
Greek Drachma...	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
KuwaitDinar(KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

*Selling rate.

CURRENCY MOVEMENTS

Aug. 24	Bank of England Index	Morgan Guaranty Changes %
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

AUG. 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.692933	0.566400
U.S. $	8½	1.05449	0.861777
Canadian$ ..	9.57	*	1.06076
Austria Sch	3¾	19.6017	15.9989
Belgian F ...	9	55.9567	45.7106
Danish Kr...	7½	10.0446	8.20498
D mark	4	2.78760	2.27768
Guilder	4½	3.11855	2.54767
French F.....	9½	8.39350	6.85845
Lira	17	1663.96	1359.08
Yen	[illegible]	[illegible]	308.714
Norwgn Kr	[illegible]	[illegible]	6.37543
Spanish Pta	[illegible]	[illegible]	129.198
Swedish Kr	[illegible]	[illegible]	6.72790
Swiss Fr ...	[illegible]	[illegible]	1.85568
Greek Dr'ch	[illegible]	[illegible]	78.3183

*CS/SDR rate for Aug 23: 1.30329

THE POUND SPOT AND FORWARD

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 61.15-61.25. Six-month forward dollar 0.29-0.34c dis. 12-month 0.50-0.60c dis.

THE DOLLAR SPOT AND FORWARD

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−0.41
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.25
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.63
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.13
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.13
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.68
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.80
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−17.33
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−19.35
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−7.74
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−2.84
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−5.08
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.20
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.51
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.74
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.54

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.40-53.50.

EXCHANGE CROSS RATES

Aug. 24	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.519	4.010	370.3	12.075	3.268	4.485	2395.	1.889	80.52
U.S. Dollar	0.658	1.	2.640	243.7	7.951	2.151	2.953	1576.	1.230	53.01
Deutschmark	0.249	0.379	1.	92.33	3.012	0.815	1.118	597.1	0.466	20.06
Japanese Yen 1,000	2.701	4.103	10.83	1000.	32.62	8.826	12.11	6467.	5.047	217.5
French Franc 10	0.828	1.258	3.320	306.6	10.	2.705	3.714	1983.	1.547	66.67
Swiss Franc	0.306	0.465	1.227	113.3	3.696	1.	1.373	732.8	0.572	24.64
Dutch Guilder	0.223	0.339	0.894	82.55	2.693	0.729	1.	533.9	0.417	17.95
Italian Lira 1,000	0.418	0.634	1.675	154.6	5.044	1.365	1.873	1000.	0.780	33.63
Canadian Dollar	0.535	0.813	2.146	198.2	6.464	1.749	2.400	1282.	1.	43.09
Belgian Franc 100	1.242	1.886	4.980	459.8	15.00	4.058	5.570	2974.	2.321	100.

MONEY MARKETS

A firmer tone in London

UK clearing bank base lending rate 9½ per cent (since June 14)

Interest rates had a slightly firmer tone on the London money market yesterday. The Bank of England forecast a credit shortage of £400m, and provided help to the market of £448m.

Bills maturing in official hands, repayment of any late assistance, and take-up of Treasury bills from Friday's tender drained £173m, while Exchequer transactions absorbed £110m, and a rise in the note circulation another £90m.

Before lunch the authorities *bought £20m bank bills* in band 1 (up to 14 days maturity at 9⁹⁄₁₆ per cent; £89m bank bills in band 2 (15-33 days) at 9½ per cent; £30m bank bills in band 3 (34-63 days) at 9⁷⁄₁₆ per cent; £67m bank bills in band 4 (64-84 days) at 9⅜ per cent; £85m Treasury bills in band 4 (64-91 days) at 9⅜ per cent; and £12m local authority bills in band 1 at 9⅜ per cent.

In the afternoon another £46m bank bills were bought in band 1 at 9⁹⁄₁₆ per cent; £20m bank bills in band 2 at 9½ per cent; £6m bank bills in band 3 at 9⁷⁄₁₆ per cent; £29m bank bills in band 4 at 9⅜ per cent; and £20m local authority bills in band 4 at 9⅜ per cent.

Further late assistance of £35m was provided by the Bank of England.

In Frankfurt call money was unchanged at 5.025 per cent, and fixed period rates were also steady. The Bundesbank will *not hold a press conference after* today's regular council meeting, suggesting that the discount rate of 4 per cent and Lombard rate of 5 per cent will probably remain at the levels prevailing since March 17.

In Brussels the Belgian National Bank directors left the discount rate at 9 per cent at heir normal Wednesday meeting.

In Amsterdam overnight money was fairly stable at 5¼-5½ per cent ahead of subscriptions for a special two week liquidity advance from the Dutch Central Bank, at an interest rate of 5½ per cent. At the end of last week call money rose to 6¼-6½ per ce nt as banks reached the end of their quota period, and a special one-week adavnce of Fl 4.8bn expired. The new advance totalled Fl 4.39bn, and allocations were made in full.

LONDON MONEY RATES

Aug. 24 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight.......	—	9½-10½	9⅛-9¾	—	—	9¾	9-10	—	—	—
2 days notice .	—	—	9⅝-9½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9⅞	—	—	—	—
7 days notice ..	—	9½-9¾	9½	—	—	9¾-9⅞	9¼	—	—	—
One month......	9⁹⁄₁₆-9⁷⁄₁₆	9½-9⅝	9½	10⅛-9¾	9⅝	9⅞	9¼	9½	9½	10¼
Two months ...	9⁹⁄₁₆-9⁷⁄₁₆	9⅝-9¾	9⅝	10⅛-9¾	9¾	10	9⅜	9⁷⁄₁₆-9⅜	9⁹⁄₁₆-9⁷⁄₁₆	10⁵⁄₁₆
Three months .	9¾-9⅝	9¾-9⅞	9¾	10¼-9⅞	9¾	—	9½	9⅜-9⁵⁄₁₆	9⅜	10
Six months......	9⅞-9⅞	10⅛-10⅛	10	10⅛-9¾	10⅛	—	—	—	9⁷⁄₁₆-9½	10⅛
Nine months...	10⅛-10⅛	10¼-10⅜	10	10⅜-10¼	10⅜	—	—	—	—	—
One year	10¼-10⅜	10⅜-10½	10⅜	10⅜-10¼	10½	—	—	—	—	—
Two years	—	—	11	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV, Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.989 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅜ per cent; four years 11½ per cent; five years 11⅝ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9¹¹⁄₃₂ per cent; four months trade bills 10³⁄₃₂ per cent.

Approximate selling rate for one month Treasury bills 9⁷⁄₁₆ per cent; two months 9⅜-9¹³⁄₃₂ per cent and three months 9⁵⁄₁₆-9¹¹⁄₃₂ per cent. Approximate selling rate for one month bank bills 9⁷⁄₁₆ per cent; two months 9⅜ per cent and three months 9⁵⁄₁₆ per cent; trade bills 9⅞ per cent; two months 9¹³⁄₁₆ per cent and three months 9¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10 per cent from August 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3281 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 10¼ per cent; *six-12 months 10½ per cent*. Under £100,000 9½ per cent from July 20. Deposits held under Series 4-5 9¾ per cent. The rates for all deposits withdrawn for cash 6 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Aug. 24	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling.......	9½-9¾	9½-9¾	9½-9⅝	9¾-9⅞	10⅛-10⅛	10⅛-10⅜
U.S. Dollar....	9¼-9½	9⅜-9⅝	9⅝-9⅞	9⅞-10⅛	10⅜-10⅝	10⅝-10⅞
Can. Dollar...	8¾-9	8½-9	8⅞-9⅛	9¼-9½	9⅞-10	10¼-10½
D. Guilder	5½-5¾	5½-5¾	5¾-5⅞	6-6⅛	6⅛-6⅛	6⅛-6⅜
S. Franc.......	1¼-2	7-7¼	4½-4⅝	4⅝-4¾	4⅞-5	4⅞-5
Deutschm'rk	4⅛-5⅛	4⅞-5	5-5⅛	5⅛-5⅛	5¾-5⅞	6⅛-6⅜
Fr'nch Franc	12-12¼	12⅛-12⅜	13-13⅜	14⅞-15⅛	16⅛-16¾	16⅝-17
Italian Lira..	15-16½	16-17½	17-17½	17⅜-17⅞	18⅜-18⅞	19¼-20⅛
Belg. Franc..						
Conv.........	8-8½	8¼-8¾	8¼-8¾	8¾-9¼	9½-10	10-10½
Fin...........	8¼-8¾	8½-8¾	8½-8¾	9-9¼	9½-9¾	9¾-10
Yen	6⅛-6⅛	6⅛-6⅛	6⅛-6⅜	6⅜-6½	6⁹⁄₁₆-6⅝	6⅝-6⅞
D. Krone......	10¼-10¾	9¾-10¼	8¾-9¼	9⅛-9⅜	9¾-10¼	10½-11
Asia $ (Sing.)	9½-9⅝	9⅜-9⁹⁄₁₆	9⁷⁄₁₆-9⅝	10⅛-10⅜	10⅜-10⅝	10⅜-10⅝

FT LONDON INTERBANK FIXING

11.00 a.m. AUGUST 24)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 1/16	offer 10 5/16	bid 10 7/16	offer 10 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)...	9¼-9⅜
Treasury bills (13-week)	9.14
Treasury bills (26-week)	9.24

GERMANY

Lombard	5.0
Overnight rate	5.025
One month	5.40
Three months	5.55
Six months	6.05

FRANCE

Intervention rate	12.25
Overnight rate	12.125
One month	12.3125
Three months	12.25
Six months	12.375

JAPAN

Discount rate	5.5
Call (unconditional)	6.46875
Bill discount (3-month)	6.71875

SWITZERLAND

Discount rate	4
Overnight rate	1½-2½
One month	4⁷⁄₁₆-4⁹⁄₁₆
Three months	4⅝-4¾

NETHERLANDS

Discount rate	4½
Overnight rate	5¼-5½
One month	5¼-5⅞
Three months	6-6³⁄₁₆
Six months	6⅛-6¼

$ CERTIFICATES OF DEPOSIT

One month	9.50-9.60
Three months	9.70-9.80
Six months	10.05-10.15
One year	10.35-10.55

LONG TERM EURO $

Two years	11⅝-11⅞
Three years	12-12¼
Four years	12⅛-12⅜
Five years	12⅜-12⅝

SDR LINKED DEPOSITS

One month	8¾-9
Three months	9-9¼
Six months	9⁷⁄₁₆-9¹¹⁄₁₆
One year	9¹³⁄₁₆-10¹⁄₁₆

ECU LINKED DEPOSITS

One month	8⁹⁄₁₆-8¹¹⁄₁₆
Three months	8⅞-9⅛
Six months	9⅛-9⅜
One year	9¹³⁄₁₆-10¹⁄₁₆

FINANCIAL FUTURES

Eurodollars stable

Interest rate contracts closed little changed on the London International Financial Futures Exchange yesterday, although *the general trend was for sterling* denominated futures to finish weaker, while Eurodollars closed only slightly below the best levels of the day. Fairly stable Eurodollar cash rates helped the contract's advance on Liffe, while market sentiment was also encouraged by firm short-dated U.S. interest rate contracts in Chicago. At the same time overnight Federal funds were quoted at 9¼ in early New York trading, compared with the previous finish of 9¼ per cent.

Volume was heavier for December delivery on Liffe, as September nears settlement. December Eurodollars opened at 89.57 and closed at 89.58, compared with 89.54 on Tuesday. September opened at 90.01 and touched a peak of 90.02, before finishing at 90.00, against 89.98.

Short sterling interest rate contracts ended around the middle of their range, but below previous settlement figures, as the pound held fairly steady on the foreign exchanges despite somewhat disappointing UK trade figures in July. September opened at the day's low of 90.25, and rose to a best level of 90.29, the same as the previous night's close, before finishing at 90.27. December delivery fell six basis points to 89.95, after touching a peak of 89.98.

Trading in gilts was reasonably active, with September closing just ¹⁄₃₂ higher at 102-16, encouraged by early advances in U.S. Treasury bond prices, and an easing of the Federal funds rate. Cash gilt prices opened weak, but recovered to finish little changed on the day.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	90.00	90.02	89.91	89.98
Dec	89.58	89.60	89.57	89.54
March	89.28	89.29	89.25	89.28
June	89.08	89.08	89.00	89.10
Sept	88.90	88.92	88.90	88.99

Volume 2,107 (2,052)
Previous day's open int. 6,377 (6,254)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Sept	90.27	90.29	90.25	90.29
Dec	89.95	89.98	89.94	90.01
March	89.62	89.62	89.58	89.66
June	89.27	89.27	89.12	89.34
Sept	89.16	—	—	89.15

Volume 521 (966)
Previous day's open int. 4,352 (4,469)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Sept	102-16	102-18	102-00	102-15
Dec	104-07	104-09	103-23	103-28
March	103-26	103-26	—	103-14
June	103-12	—	—	103-00
Sept	102-30	—	—	102-18

Volume 2,970 (2,395)
Previous day's open int. 5,025 (5,257)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) par to 06 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.5230	1.5246	1.5215	1.5290
Dec	1.5240	1.5252	1.5240	1.5310
March	1.5260	—	—	1.5323

Volume 416 (622)
Previous day's open int. 1,667 (1,763)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3801	0.3802	0.3786	0.3815
Dec	0.3845	0.3847	0.3828	0.3862
March	0.3885	—	—	0.3894

Volume 98 (213)
Previous day's open int. 505 (589)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4659	0.4662	0.4654	0.4694
Dec	0.4725	—	—	0.4754
March	—	—	—	—

Volume 3 (17)
Previous day's open int. 252 (252)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4127	0.4128	0.4116	0.4130
Dec	0.4157	0.4159	0.4157	0.4167
March	—	—	—	—

Volume 14 (21)
Previous day's open int. 283 (284)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	72-19	72-22	72-05	72-05
Dec	72-00	72-03	71-19	71-18
March	71-16	71-19	71-04	71-03
June	71-02	71-04	70-24	70-22
Sept	70-23	70-25	70-13	70-11
Dec	70-13	70-15	70-05	70-02
March	70-06	70-07	70-04	69-28
June	69-31	69-31	69-26	69-19
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	90.96	90.97	90.87	90.84
Dec	90.52	90.54	90.43	90.39
Mar	90.22	90.25	90.15	90.11
June	90.02	90.04	89.97	89.91
Sept	89.84	89.87	89.77	89.75
Dec	89.69	89.70	89.64	89.60
Mar	89.53	89.54	89.53	89.47
June	89.36	89.38	89.36	89.35

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	90.35	90.36	90.26	90.24
Dec	89.94	89.85	89.70	89.72
June	0	89.25	89.17	89.14

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	89.81	89.83	89.72	89.73
Dec	89.38	89.40	89.25	89.28
Mar	89.05	89.07	88.99	88.96
June	88.83	88.84	88.74	89.74

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Sept	1.5210	1.5255	1.5180	1.5270
Dec	1.5235	1.5275	1.5195	1.5255
March	1.5265	1.5275	1.5220	1.5310
June	—	—	—	1.5320
Sept	—	—	—	—
Dec	—	—	—	—

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	69-18	69-23	69-07	69-09
Dec	68-23	68-27	68-10	68-11
March	67-24	67-28	67-14	67-13
June	67-03	67-05	66-28	66-24
Sept	66-16	66-18	66-12	66-07
Dec	66-04	66-04	65-31	65-25
March	—	—	—	—
June	—	—	—	65-05
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

APPOINTMENTS

Managing director for Engelhard Industries

Mr Charles Buckeridge, managing director of ENGELHARD INDUSTRIES, who will *retire at the end of 1984, has* been appointed deputy chairman from September 1 1983. Mr Alastair Alexander, a deputy managing director, has been appointed managing director.

★

Mr Hugh O'Brien, at present group treasurer, Thomas Cook, has been appointed assistant general manager (financing operations) MIDLAND BANK from September 1. He will be *principally responsible* for implementing the group's long-term funding requirements and their acquisition and disposal plans. Mr O. Brien will remain chairman of Thomas Cook's investment committee and continue as a director of Thomas Cook Financial Services.

★

AUTOMOTIVE PRODUCTS has appointed Mr P. M. Paul as director and general manager, Auto Safety Centres division. The appointment follows expansion of the division. Mr Paul has been with Automotive Products for 17 years.

★

Mr David Allerton has been appointed a director of BEECHWOOD GROUP. He joined in July as deputy managing director of the civil engineering and construction division. He was previously director and general manager of SLP Scotland.

★

Mr B. Das has been appointed a director of KARTRET SWITCHGEAR, subsidiary of the *Charterhouse Group.*

★

Mr Howard Flight has been appointed a director of GUINNESS MAHON & CO.

★

Mr Alex Monnas, Mr Roger Reynolds and Mr David von Simson are to be appointed to the board of HILL SAMUEL & CO. from September 1.

★

Mr J. Leafhead has succeeded Mr R. W. Peel as regional director Midlands for the UDT GROUP.

★

HOME GROWN PRODUCE (HOLDINGS) has made the following appointments within its subsidiaries: At Edwards and Walkden, Mr G. E. Darwin has been appointed chairman, Mr Stephen Bodger managing director and Mr David Brown has joined the board. Mr Bodger remains group finance director. At Eiger Frozen Foods, Mr James Service has been appointed chairman. Mr J. A. Weatherby has left the group.

★

Mr A. Keith Gwynne Jones has been appointed to the board of W. A. TYZACK.

★

Mr John T. Yeomans has been appointed general manager of DUNLOP belting division. Based at Speke, Liverpool, he will be in overall control of its UK operations. Since 1979 he has been general works manager of *the truck tyre division at Fort* Dunlop, Birmingham.

★

Mr Roy Brunjes has been appointed general manager—joint operations in TEXACO's exploration and producing department. He remains in London. Mr Brunjes was assistant general manager—joint operations.

★

Following the recent announcement that Mr Eric Tait will join the INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND as secretary-designate on November 14, Mr Ian Marrian will act as deputy secretary until further notice. Mr Marrian continues as director general of education and his new appointment as deputy secretary will assist a smooth transfer from the present secretary, Mr *Gordon Stewart, to Mr Tait.* Mr Marrian is at present on secondment to the Institute until November 1984 from Deloitte Haskins and Sells.

★

Mr William J. Tyne Jr is joining the board of ENSKILDA SECURITIES as a director with special responsibility for capital markets in the U.S. He was formerly a senior vice president *at the Commerce Union Bank*, Nashville. Mr Tyne is an advisory director of Massey Burch Investment Group, Inc., a U.S. venture capital firm. He will be based in London.

★

Mr Michael R. Johnstone has been appointed managing director of SHEAFFER PENS, UK, division of Textron Inc.

★

Mr A. A. Long has been appointed managing director of SUPRA SUREPARTS. He was general manager.

★

At SCANDINAVIAN BANK Mr David L. Evans *has been* promoted to general manager—Eurobond dealing.

★

Mr H. M. F. Barnes will retire from the board of COMMUNITY REINSURANCE CORP on August 31.

★

GLENDINNING ASSOCIATES INTERNATIONAL has appointed Mr Gordon H. Palethorpe as director *of management consulting* in the European division based in London. He was previously general manager with Pickering Foods, subsidiary of H. J. Heinz and Co.

★

Consequent on the F. S. W. Group of companies joining DOBSON PARK INDUSTRIES, the following appointments are confirmed: Mr J. J. Graham becomes managing director of Gullick Dobson, and Mr J. Shepherd continues as managing director of the F. S. W. Group of companies.

INTERNATIONAL CAPITAL MARKETS

NEW $300M TRANCHE SOUGHT AFTER NEGOTIATION OF IMF LOAN

Portugal back to Euromarket

BY DIANA SMITH IN LISBON

PORTUGAL, which has kept a low borrowing profile since the spring, will return to the Euromarket in September for a second $300m tranche of the 1983 Republic of Portugal loan.

In February, the former Government announced that this year, the Republic would require $850m in medium-term credits. The first $300m tranche was negotiated by the Balsemao Government when international confidence in its ability had shrunk badly.

The country is expected to seek the new tranche in a market that is better disposed since the installation of the Soares administration and following the successful negotiation of a standby loan from the International Monetary Fund (IMF) for $480m which will be delivered in three tranches over the next 18 months.

The IMF deal also entails delivery before the end of this year of a compensating financing facility of $200m or $250m covering 1981 export losses.

The first tranche of the standby loan due later this year is the smallest; only full compliance with strict performance clauses will ensure delivery of the second and third tranches.

To comply, the Soares Government must reduce the balance of payments deficit on the current account to $2bn this year and $1.25bn in 1984 as against $3.3bn in 1982; contain foreign debt at $14.6bn at the end of 1983 and $15.5bn in 1984; and cut budget deficits to 8 per cent of gross domestic product in 1983 and 6.5 per cent in 1984.

This entails retrenchment of spending and borrowing in the debt-ridden public sector.

The Government is considering the creation of an inter-ministerial commission that will be empowered to co-ordinate and lay down guidelines for public sector foreign borrowing.

The new Finance Minister Sr Ernani Lopes is adamant that public sector companies will not be used systematically to swell foreign currency reserves. This practice was heavily adopted by the former Government. As a result, foreign debt soared from $7.2bn in 1980 to $13.5bn at the end of 1983 and $14.2bn in April this year.

The strain on Portugal's modest resources created by this debt, with its 30 per cent short-term element, drained currency reserves to as low as 10 to 15 days' import coverage. In spring, Portugal came close to breaking point.

The Bank of Portugal turned to the Bank for International Settlements (BIS) in March for $400m. This it repaid through the sale of 30 tonnes of its 687 tonnes of golf reserves. Then in June it came back for $300m in a gold swap arrangement. It is understood that a third BIS short-term loan is being negotiated to help cash flow until IMF funds are delivered.

Debt servicing this year requires $1.3bn and in 1984, $1.5bn. Greater control of public spending should start to cool overall foreign borrowing soon.

Apart from tighter supervision of foreign borrowing after two years of overheating, the market should also welcome the news the Bank of Portugal will handle negotiations for the second tranche of the Republic of Portugal loan exclusively.

The first tranche was handled by several people in Lisbon and London, confusing the market and prompting bankers to recommend that Lisbon stop trying to play a market with which it was unfamiliar and let experienced people take charge.

Bankers now seem more confident that with a new team in theFinance Ministry, whose relations with the Bank of Portugal are better than in recent years, market approaches will be smoother.

By autumn, the Government should have a programme for the public sector's foreign borrowing.

Apart from the Republic, few public bodies are likely to seek medium term loans this year. Electricitade de Portugal (EDP), the only concern authorised to tap the market before September failed to complete a $190m loan. It may try again later.

It is understood that the National Savings Bank and the Development Bank may seek loans later this year.

The Finance Ministry is cutting public sector investment by about 10 per cent this year: large projects – petrochemicals, steel, shipbuilding and repairing, energy and transport – are being scrupulously looked into. Some are likely to be cut back.

The IMF agreement is seen in Lisbon as a trigger for economic discipline and for a more sober relationship with the international finance market.

Dutch discover bond forgery

THE DUTCH Finance Ministry has discovered instances of forgery involving a government bond issue bearing a 12½ per cent coupon, issued in 1981 and maturing in 1987 through 1991, AP-DJ reports from The Hague.

The Ministry said the forged bonds are in bearer form and are in denominations of 10,000 guilders.

The forgery was discovered when coupons, cashed at unnamed banks outside the Netherlands, were repatriated to the Netherlands and discovered to be fraudulent. The Justice Ministry is investigating the case. Further details will be available today, a Ministry spokesman said.

Morocco to reschedule debt

BY OUR EUROMARKETS CORRESPONDENT

MOROCCO yesterday took the first formal step towards a rescheduling of its medium and long-term debt by inviting leading creditor banks to a special meeting in Rabat on September 9.

The meeting will also be attended by representatives of the International Monetary Fund, which recently agreed to lend the hard pressed country $300m subject to approval by its Executive Board next month.

The Moroccan Finance Ministry told bank creditors in its telex yesterday that short-term debt would be excluded from the restructuring, although it asked banks not to withdraw short-term credit facilities estimated at about $500m.

The meeting in Rabat is expected to concentrate on establishing how much debt Morocco will need to reschedule. Bankers initially expect that the amount involved could be fairly small and might not exceed $200m. Morocco has a total foreign debt of some $10bn but has a tradition of careful financial management and unlike other countries with debt difficulties has remained current on debt service payments.

Bankers going to the meeting, where a steering committee will be formed to handle negotiations, do not currently believe that the country will need fresh medium-term finance to overcome its problems.

Nonetheless Morocco's growing current account balance of payments deficit, estimated at $2bn in 1983, has led to a serious drain of foreign exchange reserves, which fell to $26m in February this year.

The rescheduling telex has come at a very unfortunate time for a syndicate of 23 banks led by Gulf International Bank, which is due to sign a $200m short-term loan for the state oil refining agency Samir in Casablanca on Saturday. No decision on whether to go ahead with the signing had been taken yesterday afternoon, but completion of the transaction would mean the banks are taking seriously Morocco's request for them not to withdraw short term credits.

Lacklustre trading in Eurodollar bonds

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ACTIVITY on international bond markets was again concentrated on non-dollar issues yesterday as fixed rate dollar Eurobonds slipped about ¼ point in lacklustre trading.

In the absence of an early lead from the New York bond market, Eurobond dealers said that trading volume had fallen off and no new issues were announced. Tuesday's $75m, 12⅞ issue for Caisse Centrale de Cooperation Economique continued to move slowly, being quoted by the lead manager Paribas at a discount of 1⅝ and lower still elsewhere in the market.

With the dollar again firmer on exchange markets investors have more incentive to buy paper in other currency sectors where new issue activity flourishes. In Switzerland, for example, the Japan Development Bank has launched a SwFr 150m, five year, 5⅞ per cent private placement at 99¾ through UBS. Expected soon is a SwFr 100m public issue for the City of Vienna.

Austria's electric utility Verbundgesellschaft has launched a Y15bn Samurai bond issue through Yamaichi Securities with a coupon of eight per cent over ten years and issue price 99⅝. In the British bulldog bond market the £30m partly paid 25 year issue for Cigna was yesterday awarded a coupon of 13 per cent with issue price 99¾ to yield 13.036 per cent.

In Germany DM 30m five-year private placement with warrants for Ryobi, the Japanese diecasting company, was priced with a 5½ per cent coupon and issue price. Lead manager DG Bank originally indicated a higher 5¾ per cent coupon. Bankers in Frankfurt are today expecting the launch of an issue for Lonrho, which is understood to have been added to this month's calender.

FT INTERNATIONAL BOND SERVICE

Yesterday's Eurobond prices were not available for this edition because of computer problems at Datastream International

Elf and Bow Valley raise $220m loan

BY OUR EUROMARKETS CORRESPONDENT

THE French oil concern Elf Aquitaine and Bow Valley of Canada are raising a $220m loan in the Euromarkets to finance development of the Heimdal gas field in the Norwegian sector of the North Sea.

The loan, which has taken 18 months to design, bears a very complicated rate structure with margins ranging between ⅝ per cent and 1¼ per cent over London Eurodollar rates with banks receiving higher margins on parts of the loan where repayment is solely dependent on proceeds from the field.

The package itself is in two basic tranches with Bow Valley Norge taking $145m and Elf Aquitaine Norge $75m. Maturity is between eight and nine years depending on the progress of the project.

Lead managers, who are now offering participation in the deal to a limited group of the borrowers' relationship banks, are Chase Manhattan, Credit Lyonnais, den norske Creditbank, Deutsche Bank, Natwest and Royal Bank of Canada.

VONTOBEL EUROBONDINDIZES
WEIGHTED AVERAGE YIELDS
PER AUGUST 23 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.92	12.34	12.54	11.23
DM (Foreign Bond Issues)	7.57	7.67	7.79	7.23
HFL (Bearer Notes)	8.48	8.39	8.67	7.43
Can$ Eurobonds	13.23	13.34	13.55	12.62

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